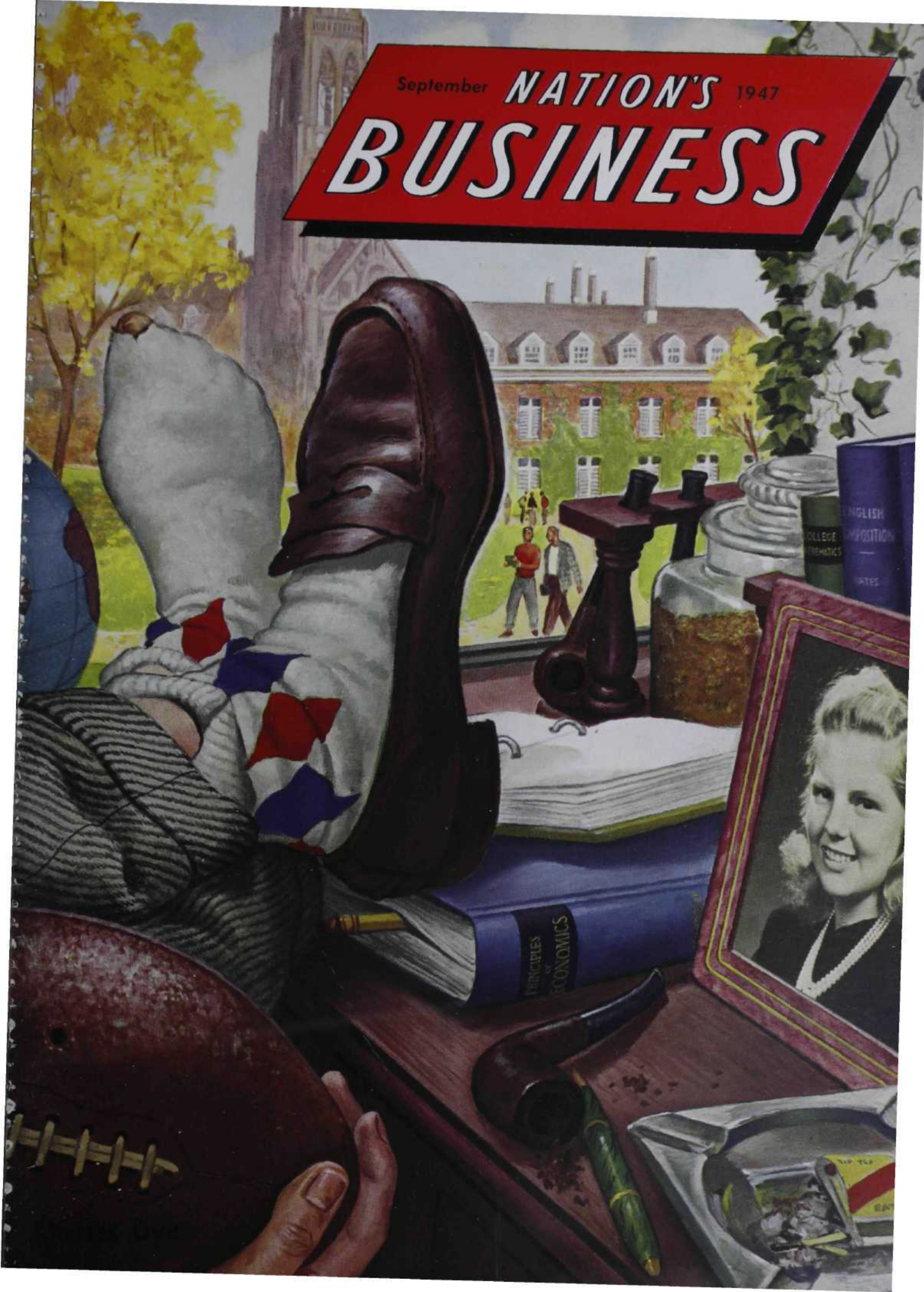


September *NATION'S* 1947

BUSINESS



problem...

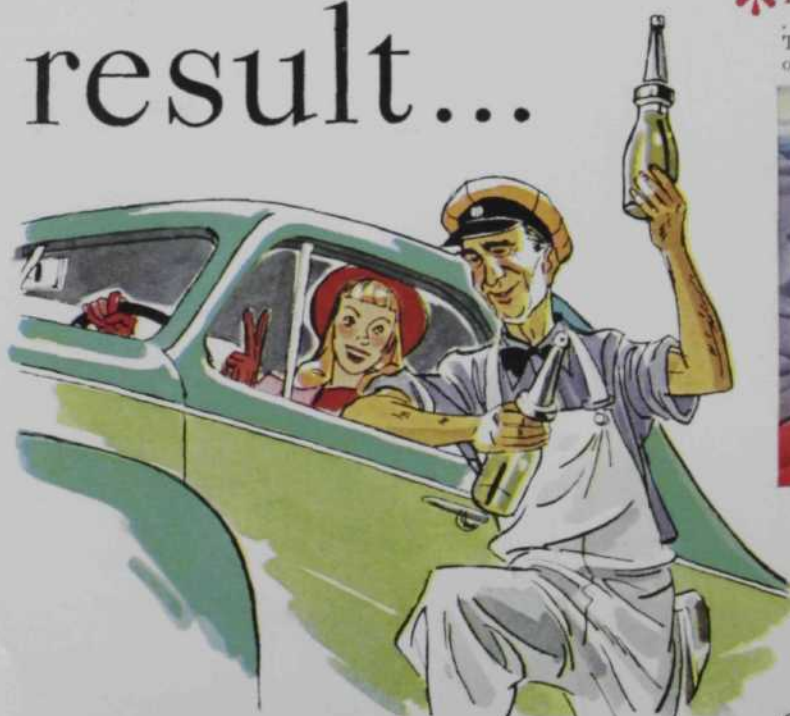


solution

This well is typical of many that once yielded large quantities of valuable crude oil. Later, as recovery declined, water was used to force the oil out. Eventually, the cost became far greater than the value of oil recovered. Many such wells now are producing again because oil men add Hercules Dresinol to the water at intake wells. Dresinol acts to seal depleted oil sands, allowing water and pressure to be exerted only against strata still containing oil. By cutting water costs, Dresinol makes possible continued production of petroleum products such as motor oil.



result...



***TO CONTINUE ECONOMICAL OIL PRODUCTION**

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And yet even the older style B.F. Goodrich Tires of this type set high mileage records. Vincent D'Anella, owner of Robideau's Express, Philadelphia, is shown in the picture examining two of these tires. He says, "I put these six B.F. Goodrich Silvertowns on one of my trucks in 1939. Since then these tires have run up over 70,000 miles and the tread isn't even

$\frac{3}{4}$ worn. They carry heavy loads, too—up to 28,000 pounds. These tires are easily good for 100,000 miles without recapping. I have often said the money I spent for these tires was the best money I've ever spent in the trucking business."

The improved thick tread tire is specially designed for trucks traveling on paved surfaces with standard loads at ordinary speeds. Under these conditions these tires turn in amazing mileage records on delivery trucks, utility trucks, general hauling and other operations. They have deep cut ventilating grooves, a new type sidewall design to resist cracking, and an

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This new high mileage tire is a typical example of B.F. Goodrich constant improvement in truck tires. Improvement based on continuing research and developmental work. Before you buy truck tires ask the local B.F. Goodrich dealer about the latest improvements in tires for your type of service. *The B.F. Goodrich Company, Akron, Ohio.*

Truck Tires **BY**
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0 4 7	← REMAINDER
3	

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and prints

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2 7 8 9 0	← MULTIPLIER
4 7 8 9	← THE ANSWER
2 5 5 6 3 6	

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and prints

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Nation's Business

PUBLISHED BY

CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 35

SEPTEMBER, 1947

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Here's How To keep Prospects Reminded



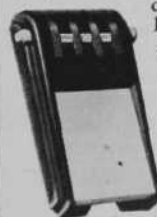
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NATION'S BUSINESS for September, 1947

About Our AUTHORS

ONE SEASON of pitching minor league baseball convinced **JOHN McJENNETT** that, though baseball was fun, a change of occupation was in order. So he took up newspapering in New York City with the morning *American* where "my salary was a third of what it had been playing ball—but I got it, which was a step forward." During the Hearst reorganization, when the *American* was being merged with the *Journal*, McJennett left to do publicity work, then free-lancing. At the beginning of World War II, he joined the aviation branch of the Marine Corps and soon was shipped overseas as an air liaison officer. He later returned to the States to edit the *Marine Corps Gazette*. "Good Ships Are Good Salesmen" is the result of nearly two years of observation of the shipping industry as director of information for the Sea-Air Committee.

As provost of the University of California since 1945, **CLARENCE A. DYKSTRA** is quite at home on one of the crowded college campuses about which he has written in "Our College Jam Thickens." Though he has been a teacher—on and off since his graduation from the State University of Iowa in 1903—it is in the role of administrator that he is known best. From 1930 to 1937, Dr. Dykstra was city manager of Cincinnati, establishing a record level of local government efficiency and winning national recognition for his direction of the relief work during the city's floods. A year or so later, he accepted the presidency of the University of Wisconsin, and it was from this post at Madison that he was borrowed in 1940 to serve as Selective Service chief and chairman of the Defense Mediation Board. In 1941 Dr. Dykstra resigned from both these government positions to devote his full time to the U. of W. Four years later he accepted his present administrative post.

When news of Winston-Salem's successful small business men's club reached us, we asked **JOHN HERLING**, free-lancer and newspaper correspondent, to examine the story possibilities. About his visit which resulted in "They Never Said 'Uncle,'" he writes:

"I spent a week interviewing a fair cross section of the small business men and women. I tried to steer away from generalities and get specific facts, both from the people concerned and from my own observations."

Mr. Herling has been in journalism since his graduation from Harvard in 1928, except for a period when he served on the staff of the Coordinator of Inter-American Affairs as director of the social and labor relations division prior to the war.

Many of the successful newspapermen we know majored in journalism while in college and worked on the school paper. **CHARLES STEVENSON** did not. Instead, he got his start after he was graduated from William Jewell College, Liberty, Mo., and accepted an offer of employment on the *Sedalia*, Mo., morning newspaper. This was followed by work on other Missouri papers. He came to Washington in 1926. Since then he has worked for practically every newspaper and wire service in the nation's capital.

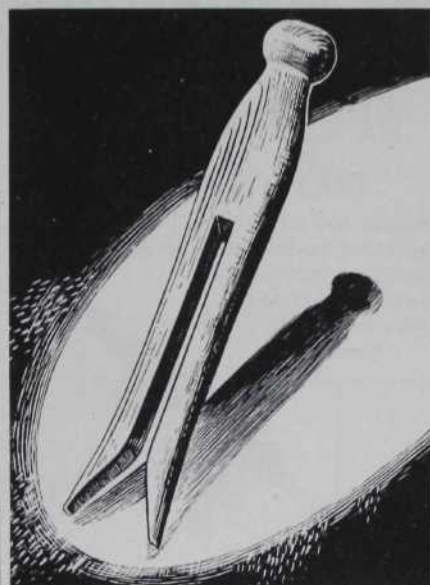
Though "Masters of the Miniature" tells our readers that miniature ball bearings are precision



HUBERT A. KENNY

parts, not toys or ornaments, it was one of these tiny bearings hanging from a friend's watch chain that inspired **HUBERT A. KENNY** to write the article. As Kenny says, "The darned things are so small that I can't tell you now how I happened to see it, but I do remember I asked where it came from. Later on, when I read some misinformation about them, I decided to check and double check."

Author Kenny's own story is quite as interesting. He's picked peaches in California, hopped bells on the S. S. Rose City, stevedored on the San Francisco docks, driven a hearse—and all this before going to college. It was on graduation from the University of California that he went into advertising, later switching to public relations, and finally to free-lance writing.



What's Unusual about a *Clothespin?*

In this case, plenty! It is the symbol of an \$83,195,000-a-year wood products industry in South Carolina where 12,500,000 wooded acres provide raw material for practically unlimited expansion.

Clothespins are one item. There are dozens of others, including plastics, veneers, plywoods, toys, poles, crossies, most types of furniture, ironing boards, paper and by-products, boats and handles.

That's just a start. The State has, in a comparatively small area, 10,284,400,000 board feet of valuable hardwood reserves, including one-tenth of the nation's red gum, and twice as many board feet of other timber ready to be developed into profits.

The Research, Planning and Development Board, organized by the State Government to help new and established industries, will be glad to furnish more information on the forest resources, as well as others, and specific data on the large labor supply, transportation, moderate taxes and plant sites. Write Research, Planning and Development Board, Dept. J, Columbia, S. C.

South Carolina

WHERE RESOURCES AND MARKETS MEET

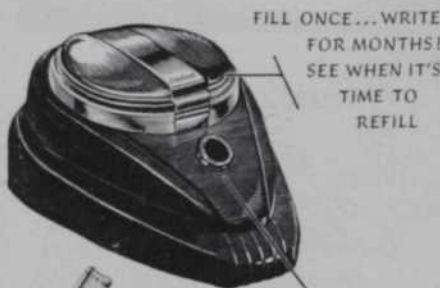
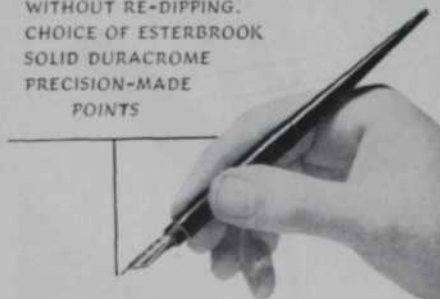
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NB Notebook



Key month

THIS month of September is likely, in the opinion of expert observers, to bring some important recordings on the business barometer.

In retail trade there will be the important test of whether the prices merchants must ask for fall merchandise are the prices that consumers will readily accept. Through the late spring and summer the stores were unloading many items at sharp reductions. September brings back regular prices.

In the over-all picture of employment, harvests are completed and the farm workers return to other tasks. The net result of this important shift will give a clue to the near-term outlook. Jobs must be available or some business sag may develop.

Building activity and the export boom will be watched closely. These are key sectors. However, the critical developments in these areas are likely to come later in the year.

Ex-ghost city

HERE and there over the country are the sites of big war plants which were thriving communities and now, two years after V-J Day, are silent reminders of the grim days of war. However, there are none of the real "ghost cities" which followed World War I.

The case of Bridgeport, Conn., will be recalled vividly. It was forced to struggle for bare existence early in the '20's. A study of employment over the transition period by the Federal Reserve Bank of New York shows that, from 1939 to the war peak, Bridgeport employment gained 125 per cent. After V-J Day its loss from the peak was 40 per cent but, entering 1947, it had regained 29 per cent of the decrease.

Chamber of commerce officials

have worked to obtain the diversity of output which would shockproof their home industries. Business planning at the community level was launched well before the guns had ceased firing. World War II has spawned few "ghost cities" as a result.

Food balancing

CALLING attention to the fact that wartime supports for agriculture expire by the end of 1948, Clarence Francis, board chairman of General Foods Corporation, believes that a small board of experts should be given the task of shaping up the necessary adjustments.

Before the Joint Congressional Committee on the Economic Report, he said:

"I don't think that all fluctuations can be fully eliminated from any economy, totalitarian or capitalist, where progress is desired and achieved. But I do think every effort must be made to minimize fluctuations where possible. And, in the field of agricultural policy, I think healthy stability requires flexibility of approach.

"If the market tells us clearly, for example, that too much acreage is being given to a certain crop, then I think every uneconomic price or income support should be adjusted promptly in accordance with what the market is telling us. We cannot fight economic laws any more than chemists or engineers would try to fight physical laws, and we must learn to relate actions in one area to what we know of the agricultural problems as a whole. Moreover, we must learn to integrate farm policy with all our other efforts, private and public, to achieve economic progress.

"What I am suggesting for the long range is this: Our Government has at its disposal vast data on world food supply, demand and price trends. Can't we harness this information in a sort of 'world



To
Joe and Harry and Bill
—who'll drive 'em—
and to their
bosses, too—

They're here . . . the trucks with the **4-POINT-DRIVER-COMFORT CAB**: 1. In the new cab that "breathes," a stream of fresh air is drawn in—heated in cold weather—and used air is forced out.*

2. Driver's compartment is wider and deeper, with more leg room. 3. Seats are fully adjustable, bigger and more comfortable! 4. Wider, deeper windshields and larger windows increase visibility by 22%. (Rear corner windows for even greater visibility available at extra cost.) In addition, the new cab is **FLEXI-MOUNTED**, cushioned on rubber against road shocks, torsion and vibration.



You'll want to see these new Advance-Design Chevrolet trucks—try out the new four-point-driver-comfort cab—learn more about the cab that "breathes"—look over the heavier, stronger frames, the extra-safe hydraulic brakes, their bigger load space and the many other new features that make driving them easier and safer, and that assure longer, more economical and more reliable hauling.



New Advance-Design trucks have **LONGER-THAN-EVER WHEELBASES** providing better load distribution! There's **INCREASED LOAD SPACE** in panels and pick-ups, and stake and high rack bodies have more efficient loading!



Chevrolet truck **FRAMES** are new—sturdier, stronger and more durable, designed for increased cargo capacity. . . . **FULL-FLOATING HYPOID REAR AXLES** give drive to the ride, carry the load over any road!

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World's most economical for their size, Chevrolet's **VALVE-IN-HEAD TRUCK ENGINES** have profit power. . . . An exclusive Chevrolet design for greater brake-lining contact makes the **HYDRAULIC TRUCK BRAKES** safer, surer!

New
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CHEVROLET TRUCKS

FOR TRANSPORTATION UNLIMITED

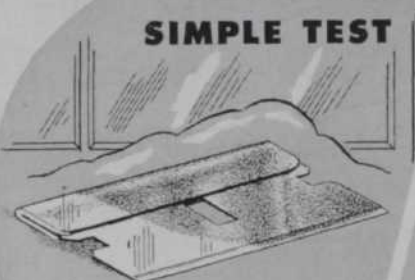
with the Cab
that "Breathes"



CHEVROLET MOTOR DIVISION, General Motors Corporation, DETROIT 2, MICHIGAN

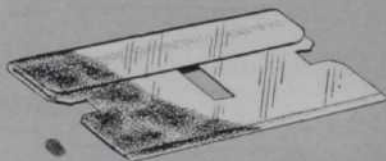
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MAKE THIS SIMPLE TEST



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balance sheet' on food and then cut our cloth according to the best analysis possible?"

Rents and building costs

JUST because there was a big building boom after World War I, it does not follow that there will be an equally big boom again. Alderson, Wroe, Simon & Sessions, Inc., marketing and management counsel of Philadelphia, have completed a study which reveals that rents and construction costs related to the cost of living are the reverse of what they were in the '20's.

After World War I rent was relatively high and construction costs relatively low. This was an ideal relationship to stimulate building from the viewpoint of the prospective home owner and the investor in rental properties.

At present this relationship has been reversed. When the study was made, rent was continuing to decline relative to the cost of living while construction costs had soared since 1945. New rent legislation and the growing adjustment in building materials may bring the trend lines together but the gap is wide.

The index line for construction costs passed the rent index ratio in 1936, and from 1945 onward the margin kept stretching sharply.

100 years in oil

JUST about 100 years ago Samuel M. Kier was peddling his "Kier's Petroleum or Rock Oil" and later became the country's first oil refiner. The original Pennsylvania oil was just a nuisance. It came out of salt wells in the small town of Tarentum outside Pittsburgh and only gummed up operations.

Kier figured the oil might be salvaged as a medicine and soon his ballyhoo caravans were touring the country. His refining experiments led to "carbon oil," used in his own burner for illumination.

The vast and far-flung activities of the oil business today had these humble beginnings and now, a century later, it is embarking on a public relations program aimed at correcting certain misunderstandings revealed by a thorough survey of the layman's ideas about the industry. The companies individually are offering information on profits, jobs, progress. Joint advertising has been readied. Employee and community educational work has been started.

An oil squeeze threatens this fall and winter because domestic needs



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let may save many
hours of time.*



have jumped 28 per cent since 1941. From gumming up a few salt wells, oil requirements this year are expected to run to 5,200,000 barrels a day or seven per cent more than any war year.

Television and radio

TELEVISION will miss by a wide margin the overoptimistic forecasts made earlier in the year. About 125,000 sets will be sold against predictions of 1,000,000. However, sending stations are multiplying and the industry is just moving ahead its estimates to 1948.

Meanwhile telecasters are not slow to call attention to the big names that have already signed up for programs. As one advertising agency points out, Ford, Standard Oil of N. J., U. S. Rubber, Gillette and General Foods are some of the sponsors who certainly were not using radio three years after Station KDKA first launched forth on the ether waves.

Office rules

OFFICE rules and customs are coming in for the same research and analysis reserved in the past for industry. Time was, of course, when smoking was done outside office hours and there were no rest periods or between-meal snacks.

The rules have been liberalized. Thus, the National Office Management Association, 2118 Lincoln-Liberty Building, Philadelphia, Pa., assisted by the Prudential Insurance Company, has published a survey showing that 382 companies out of the 836 covered in the study permit unrestricted smoking by men. Only 18 companies ban smoking for both males and females.

By a ratio of 11 to nine the companies, which employ 260,062 office workers, went on record for providing rest periods. Two periods were given by 228 companies with 117 allowing more than 15 minutes. Those giving one period numbered 39 with 22 permitting from 11 to 15 minutes. "Rest periods," the survey reports, "are probably one of the more controversial issues in today's office world." As for snacks, now obtained most commonly from dispensing machines, three out of four companies permitted between-meal refreshments.

Central bank formula

AS THE argument goes on about how to smooth out business cycles, Dr. W. Randolph Burgess, formerly of the Federal Reserve Bank of



Another New Champion

What makes a champion?

It's the ability to excel the best that competition offers.

That's precisely what you can expect . . . and what you get . . . from this new Dodge "Job-Rated" truck in the 1½-ton class.

This new truck is built like a champion *to carry* above-average loads. It's powered like a champion *to move* above-average loads.

Like any Dodge truck, it is "Job-Rated" throughout to fit its job, and to stay on the job . . . longer, steadier and with satisfying economy.

If your loads require trucks of this capacity, see your Dodge dealer *now* for the finest truck investment you've ever made.

Remember

ONLY DODGE BUILDS "Job-Rated" TRUCKS

YES...BUILT LIKE A CHAMPION

Capacity—15,000 pounds—chassis, body and payload allowance. 24,000 pounds—tractor, trailer and payload allowance.

Power—236½ cu.-in. 6-cylinder L-head engine developing 109 horsepower.

Front Axle—4,000 pounds capacity; high carbon, drop-forged steel.

Rear Axle—12,500 pounds capacity; full-floating; single or two-speed.

Frame—Hot-rolled, high carbon steel; reinforced with side-plates.

Transmission—Heavy-duty four-speed.

Clutch—Heavy-duty 11-inch; permanently lubricated ball release bearing.

Brakes—Hydraulic internal-expanding type equipped with booster; cast-iron brake drums.

Tires—7.50 x 20—10 ply; dual rear tires. Optional (at extra cost) 8.25 x 20—10 ply.

Models—Standard Cab—4 wheelbases; Cab-Over-Engine, 3 wheelbases . . . all models available with single or two-speed rear axles.

DODGE "Job-Rated" TRUCKS

FIT THE JOB ... LAST LONGER

Does
your
business

NEED MORE MONEY QUICKLY?

Our Commercial Financing Plan gives you *more money* than usual sources will lend. Yet you may find the cost of using our Plan so low that you would have to secure a rate of 4% per annum, or less, on a commercial time loan to keep the cost comparable. That's why manufacturers and wholesalers have used the plan to a total of more than *One Billion Dollars* in the past five years . . . and why more than three times as many business firms have adopted it in 1947 as did during the same period of 1945.



Mail coupon below for our new book, "A Better Way to Finance Your Business." Gives dollars and cents comparisons of the low cost of money under our Commercial Financing Plan vs. Time Loans. Gives case histories, facts, figures. No cost. No obligation. Mail coupon to the nearest office listed below.

COMMERCIAL FINANCING DIVISIONS:
BALTIMORE 2, NEW YORK 17,
CHICAGO 6, LOS ANGELES 14,
SAN FRANCISCO 6,
PORTLAND 5, ORE.



Gentlemen:

Send me "A Better Way to Finance Your Business." This does not obligate me in any way.

Name.....

Address.....

City.....

Zone.....

State.....

OFFICES IN MORE THAN 300 CITIES OF THE UNITED STATES AND CANADA

New York and now vice chairman of the National City Bank, offered this prescription recently before the International Chamber of Commerce, meeting in Switzerland.

"My conclusion," he said, "is that newer devices, such as the compensatory budget and detailed government controls, have not proved themselves but, on the contrary, have shown glaring weaknesses. In my judgment the best instrument that we still have in this area is the central bank. The central bankers I meet from different corners of the world know more about this subject than any other single group. They are freer from bias and from partisanship and political prejudices. They have greater permanency of tenure. They are competent people.

"The instruments they deal with, the withholding or the liberalizing of credit, are sharper and more powerful than any others that I see in the economic field. At the same time they are instruments which are general in their nature, which avoid direct controls, and offer the least interference with the dynamic vigor of enterprise which is essential to real and lasting prosperity."

"Grass roots" aid

WITH the public back again in the driver's seat, retailers are trying to get their selling cylinders humming. The engines got rusty over the period of the seller's market.

Out west, the Minneapolis Chamber of Commerce is sparking a series of clinics designed to brush up merchandising methods, window display technique, store modernization and other retail operations where more aggressive selling is required. Meetings addressed by panel speakers from the Chamber have been held in Butte, Mont., and Sioux Falls, S. D.

This month the panel travels to Watertown, S. D. The successful Butte conference will be repeated early next year.

The retail problem posed by the buyers' market is twofold, as authorities see it. Established merchants are in great need of refresher courses, particularly in the department of new and improved techniques, while many of the newcomers in the field of distribution actually must start from scratch.

The "grass roots" program of the Minneapolis Chamber aims at both objectives so that competition, as it sharpens up, will be more intelligent and less injurious.



Keeping Pace with a Production Peak

AMERICA'S PRODUCTION curve has climbed to an all-time peacetime peak!

Keeping pace with this performance has kept the railroads coming and going: coming to factory and mill with the raw materials industry needs; going to market with the finished products.

Add to this industrial production peak a record-breaking performance by the American farmer and you get a measure of the job the railroads are doing. During the first six months of this year,

your railroads hauled more tons more miles than ever before in peacetime!

When the war ended, the railroads had on order 35,000 new freight cars. Since that time, these cars—plus another 40,000—have been built, and the railroads have ordered *still another* 105,000. But it has not been possible to get these cars built fast enough to replace those worn out in wartime service. As a result, today the railroads are hauling this biggest peacetime traffic in history with

fewer cars than they had on V-J Day.

More cars are on the way. Until they arrive, however, railroads must do the best they can with what they have and can get. There are bound to be some delays in furnishing all the cars needed by American industry today. But you can be absolutely certain that the railroads—with the continued help of the shippers—will keep on doing their level best to speed these products to the market places of the nation.

AMERICAN RAILROADS

THE NATION'S **BASIC** TRANSPORTATION

New Tire!

34% MORE MILEAGE AND AT NEW LOW PRICES!



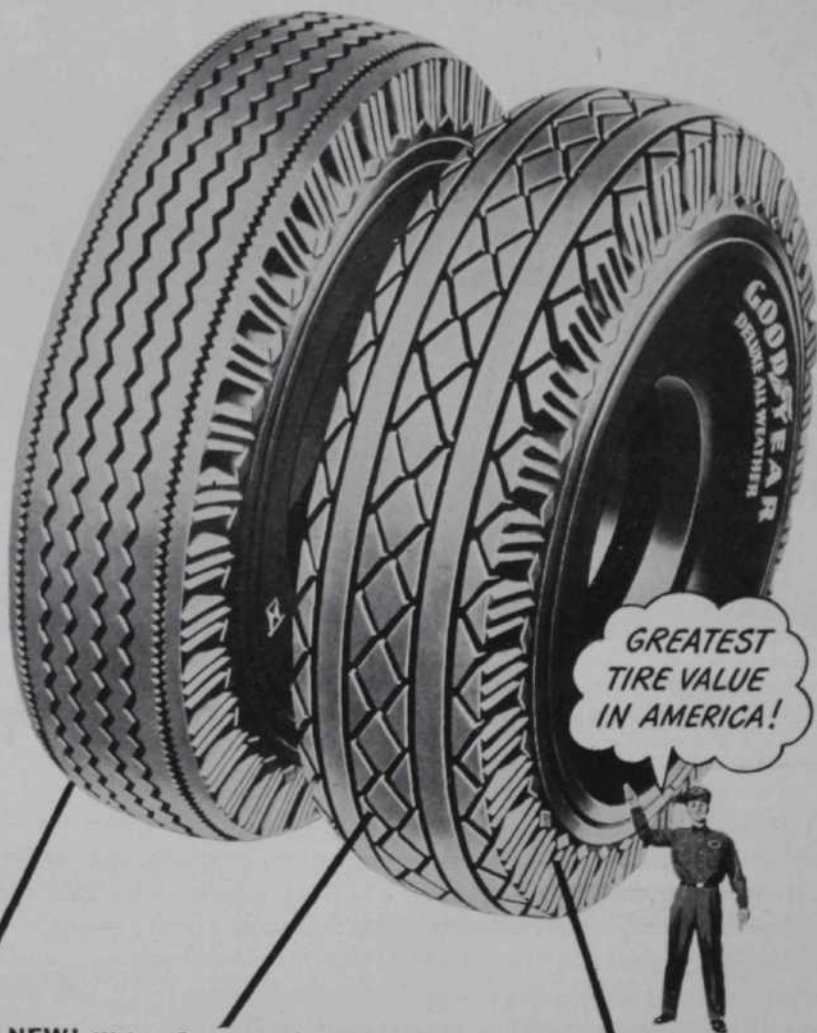
NEW! . . . 34% More Mileage—And Here's The Proof! In millions of miles of road tests, tires were driven until the treads wore smooth.

The new Goodyear De Luxe averaged 34% more mileage than the famous Goodyear tire it replaces. Yes, 34% more mileage!

If the new Goodyear De Luxe can make a record like this under test conditions tougher on tires than ordinary driving, isn't it reasonable to believe that it will do at least as well on the wheels of your car?

NEW! . . . Postwar Performance—Prewar Price! This increased mileage actually costs you less. You not only get a new and better tire, you get it at a prewar price!

NEW! Stronger cord means a stronger body. Permits a heavier tread which means longer wear.



NEW! Wider, flatter tread puts more rubber on the road. Means more traction when you need it most.

NEW! Improved shoulder design makes huskier, more flexible shoulder, means more even wear.

THE NEW **GOOD YEAR** DE LUXE

MORE PEOPLE RIDE ON GOODYEAR TIRES THAN ON ANY OTHER KIND

MANAGEMENT'S Washington LETTER

► **PREPARE FOR NEW HIGHS** all the way along the line during the rest of 1947. There will be exceptions. There always are. But the trend is upward.

In wages—because new contracts call for wage increases averaging 10 to 15 cents an hour.

Most negotiations also concern fringe issues which add to labor cost.

In materials—because of higher costs involved in processing, handling.

In prices—because these increases will be passed on, not absorbed.

In profits—because higher labor, material costs (which caused dip in second quarter earnings) will be covered by higher prices.

There's 60-40 chance that last quarter profits will set new high.

In rent—because tenants will be more willing to agree to increase as end of control draws nearer.

In cost of living—because many items that comprise it will be up.

Your department store already has the bills for its fall lines.

Prices at retail will go up as new goods reach counters, simply because they have cost more.

Most hard goods will go up another 5 to 10 per cent.

Women's and children's clothing, up about same amount.

Men's clothing, up about 5 per cent.

Furniture, up slightly in most lines.

Meat prices still head upward, but may settle in fall. Meat is extremely sensitive to supply-demand, which has shot prices to present highs.

It could swing quickly if demand dropped. There's no sign now that it will.

Other food prices will vary. On the average they will hold firm or move up slightly.

There's a chance for lower egg, cheese prices if England sticks to austerity plan, which it probably won't.

Note: There are exceptions. Such as jewelry, liquor, women's higher grade handbags. Prices are dropping on these.

► **BOOM PSYCHOLOGY** pervades the nation.

Even the chronic recession forecasters are putting off the arrival date until sometime after 1947.

Present psychology appears to spring from two developments:

Decision to go ahead with foreign rehabilitation despite Russia's attitude.

This indicated high export level, reduced the unknowns, eliminated a fear.

The other: Buyers' acceptance of higher prices arising from coal wage settlement, steel's upswing.

Last spring many stores demanded re-

troactive cuts if manufacturers' prices on hard goods lines dropped.

Now most are heeding salesmen's warnings: "Better buy now. Prices are going up again."

How much farther can they go before mass psychology turns, cuts buying?

No one knows.

That's why you should be cautious about inventories, credit, costs, despite present trend of barometers.

The higher prices go, the more precipitous may be their drop.

So it would be a good idea to build up an inventory reserve.

This isn't intended as warning that drop is imminent—it may never come.

But statisticians never have been able satisfactorily to pin down exact cause of sudden drops in commodity prices.

It's an immeasurable, perhaps emotional, swing. It's not necessarily based on logic.

► **SHOTS IN THE ECONOMIC ARM** add strong support to coming business volume.

These are:

Approximately \$1,800,000,000 in outstanding terminal leave bonds become cashable Sept. 2.

Consumer credit controls will be relaxed Nov. 1, or before.

Good possibility of income tax cut early in 1948.

Withholding tax cut could have almost immediate effect in purchasing power.

Cut tax today—Mama gets the money next payday.

► **CAUTION KEYNOTES POLICY** of banks, other lenders, on consumer credit.

Don't overextend it, they advise, when government control ends.

Particularly on goods that depreciate rapidly.

Try to get big enough down payment to insure buyer's continued interest in completing purchase.

But competition can change policy. If goods fail to move at one-third down, look for offerings at 25 per cent (or even lower) down-payments.

Check now with your bank, or other establishment where you plan on discounting your time payment paper.

See what is acceptable—what the bank will take.

Over-all effect of bank policy prob-

MANAGEMENT'S Washington LETTER

ably will help well established retailers, hurt the war babies.

That's because banks tend to be more lenient with those who have established credit in "normal" times, more cautious with those who haven't.

Better make arrangements now, in either case.

► IF YOURS IS LIKE MOST businesses, your break-even point is higher than ever.

It takes \$2 or more in sales to do the job \$1 did in 1939.

What can you do about it?

You can't cut wages, taxes, cost of materials.

But you can:

Utilize every labor-saving device, method and machine possible. They won't cut wages, but they cut unit costs.

Add new lines reasonably related to your present lines. They're good overhead eaters.

Keep your eyes open for new methods and processes. Research is not a cost. It's an investment.

Advertise more than ever. Competition, sales pressure will be greater next year—not less.

You can get a jump on the competitor who waits until production overtakes demand. If he waits that long he may not be able to afford to compete.

► LEADING BUSINESS, FINANCIAL papers reflect U. S. economic thought.

See if you recognize these excerpts: February 20—

"Nowhere is there any depression so far as the feeling as to the future is concerned...iron and steel are still in sharp demand. The only trouble is to supply it.

"It is hoped, too, that the shortage of cars may be somehow remedied or at least mitigated before long....There is a big demand for lumber.

"The scarcity of fuel is one of the leading drawbacks.

"High prices for building materials, labor and money all tend to impede building."

And on April 9—

"It is clear enough that there is a persistent demand for merchandise all over the country, although it is not so reckless as at one time last year.

"There is a big business in automo-

biles and accessories. The demand for wool has increased.

"Sugar is the worst demand and (it is) rapidly rising. It reached a new high level during the week in this movement.

"The grain and cotton markets have advanced."

Quotations came from an eastern financial publication. The dates—Feb. 20 and April 9—were in 1920.

The bust came in May, 1920.

► HERE'S ANOTHER from the same paper:

"Unionism has reached the most critical test of its history—it has outgrown the only legitimate law of its being.

"Lusting for power, using a form of coercive force to accomplish its ends, and issuing purely arbitrary demands, it is rapidly destroying itself....

"Unionism is no longer united....

Leaders have lost some of their power to hold it in check....No sane man for a moment believes that it can advance wages by its own mere will in the next five years as it has in the past five."

That was in the issue of Nov. 9, 1919.

► MARGIN OF PROFIT has not kept pace with production volume.

Which means a comparatively small drop in volume could wipe out profit.

Westinghouse officials report 25 per cent drop in volume would put them in the red.

Seiberling Rubber had a seven weeks' strike, passed its dividend. At same time U. S. Rubber, strikeless for the period, earned its highest six months' profit in 27 years.

► WAITING TO BUY an automobile until you can drive it off the showroom floor without delay?

You're in for a long, long wait.

It will be four years (possibly five) before production of popular makes meets demand. That's considering present production and economic level.

Automotive trade group finds in survey that "good" orders on hand are twice 1947 production goal.

Which means present orders—even if dealers took no more—would absorb all cars made until mid-1949.

But, by that time, a whole new flood of orders will be on the books.

Old cars are being junked at estimated rate of 1,500 to 3,000 daily.

Reorders from postwar buyers already appear in numbers.

Adding to new car gloom is slight chance that this year's unit goal will be reached.

Steel sheet shortage, labor shutdowns,

lessen chance of reaching industry's goal of 3,600,000 passenger cars, 1,100,000 trucks and commercial cars this year.

"On V-J Day we thought supply and demand would balance in 1950," says one automotive economist. "Now it looks more like 1952."

► **IF YOU HEAT WITH OIL**, fill your storage tank quickly. And keep it full. That's advice from petroleum industry. It wants to add your storage space to its own against winter slow-down in transport.

There will be enough oil for adequate heat this winter, oil people say.

Possible exception: Eastern states, where unusually severe winter could cause shortage.

Despite output 33 per cent greater than 1941, oil supply remains short. Here's why:

Demand is running 400,000 barrels daily above wartime peak (1945).

Where is it going?

To move the heavier traffic you find on every road, every street.

Exports of oil products are up 25 per cent over prewar.

Industrial use of lubricating oils is up 11 per cent.

Use of gasoline, other petroleum products, on farms has nearly doubled.

Diesel fuel use, up 150 per cent.

Domestic and commercial oil heating installations, up 28 per cent.

Demand for "bottled gas" (made from petroleum) has jumped 208 per cent.

Industry plans to spend more than \$4,000,000,000 this year and next for new facilities and expansion.

► **FOUR WARS**—not full scale but thousands have died in them—have raged since the close of the war to end war.

These are Chinese-Communist, British-Palestine, Dutch-Indonesian, Greek border wars.

Record looks bad. It is, but looks less bad when compared with two-year period after close of World War I. Then—

Russians and Poles were fighting war that included Battle of Warsaw, listed among "Thirty-seven Decisive Battles of the World."

The Greeks were fighting the Turks.

Spain was chasing Abdel Krim in Africa, lost 16,000 of 19,000 men in one battle.

British were fighting the Egyptians.

British were having trouble (like today's) in Palestine.

Afghans (among others) invaded India.

Comparative score: four to six.

MANAGEMENT'S Washington LETTER

► **TEACHERS WILL GET** a \$3,500,000 pay raise this school year.

That's about \$400 per teacher over 1945-46 schedules. It brings national average above \$2,500 a year.

Pay raises will come from increase over last year of about \$500,000,000 in school funds allocated by cities, counties, states.

Educators say it will prevent threatened wave of teachers' strikes.

But resulting pay level will leave profession fertile field for unions.

► **J. M. ELLIOTT** of Atlanta Gas Light read in this letter for July that large pipe is hard to find, but "there's plenty of small pipe."

"Where?" he inquired. Source of that line provided list of six pipe makers, advice that situation was "spotty."

Elliott queried all six, found not one foot of pipe.

We erred. There's no big pipe. No little pipe.

► **BRIEFS:** Take a tip from a big fellow—du Pont put aside during first six months \$10,500,000 for excessive construction costs. Maybe you should set aside a little....Aggressive selling brought more than 500 new industrial firms to Metropolitan Oakland in past two years. So an even bigger selling job is planned—to fill 1,400 acres of industrial sites within Oakland, 3,000 acres of adjacent land plus outlying territory....Argentina has bought 80 Piper Cubs for use in government-sponsored flying clubs....Tag on Sikorsky's four-place helicopter has been changed from \$48,500 to \$70,000....If you are an average American, you're using nearly a pound of paper a day....To increase olive oil shipments, U. S. offers Italian producers equivalent amount of soy bean oil....American Flyaway Service (you read about it in December's Nation's Business) has gone "into hibernation," victim of severe slump in private aircraft sales....Central and South America want a "Marshall plan" too, because of dwindling dollars....University of Illinois is experimenting with 10 types of concrete slabs to find warmest, driest, for low-cost homes....National Guard hopes to enlist man a minute during campaign opening in mid-September.

Farsighted businessmen recognize that in the years ahead the great diversity of opportunity in Chicago and Northern Illinois will allow their employes to continue the kind of work they have chosen...to live where and as they like...to



play and relax as they like. That is one reason why so many new industries are locating here.

You are invited to write for details on the many industrial, residential and recreational advantages of this area, as they specifically apply to you or your business.

Industries in this area have these outstanding advantages: Railroad Center of the United States • World Airport • Inland Waterways Geographical Center of U. S. Population • Great Financial Center • The "Great Central Market" • Food Producing and Processing Center • Leader in Iron and Steel Manufacturing • Good Labor Relations Record • Tremendous Coal Reserves • Good Government Good Living • Good Services for Tax Dollar • **Send for free booklets containing useful information on these advantages.**

For more information, communicate with the

TERRITORIAL INFORMATION DEPARTMENT

Marquette Building—140 South Dearborn Street, Chicago 3, Illinois—Phone RANdolph 1617

COMMONWEALTH EDISON COMPANY • PUBLIC SERVICE COMPANY OF NORTHERN ILLINOIS
WESTERN UNITED GAS AND ELECTRIC COMPANY • ILLINOIS NORTHERN UTILITIES COMPANY

This area has power resources of 2,500,000 kilowatts, with 500,000 kilowatts more already under construction or on order.

TRENDS



OF NATION'S BUSINESS

The State of the Nation

AMERICAN sympathy with the people of Great Britain in their critical economic difficulties is wholly appropriate and desirable. But the deterioration should also cause us to reflect seriously on certain factors in the tragedy which have a profound moral for ourselves. As a matter of common sense it is important to consider whether the British have made mistakes which we can avoid.

Some in this country are disposed to say that all the trouble can be attributed to the war, or at least to the cumulative effect of the two world wars which, in a single generation, drained the strength and dislocated the economy of the country. In this assertion there is, of course, a large measure of truth.

There are other Americans who maintain that Britain has been unable to achieve recovery after this war, as contrasted with that of 1914-18, primarily because the policy of a socialist government has sapped initiative, discouraged capitalist enterprise and replaced emphasis on the creation of wealth by emphasis on distributing equitably what is not being produced. This explanation also is convincing.

A third and intermediate analysis of the British plight concludes that this manufacturing and trading nation, dependent on imports for most of its food and raw materials, has been particularly hard hit by the chaotic aftermath of the last war and cannot recover unless and until the Continent of Europe also recovers. Unquestionably the prosperity of Britain is intimately

connected with the prosperity of Europe as a whole.

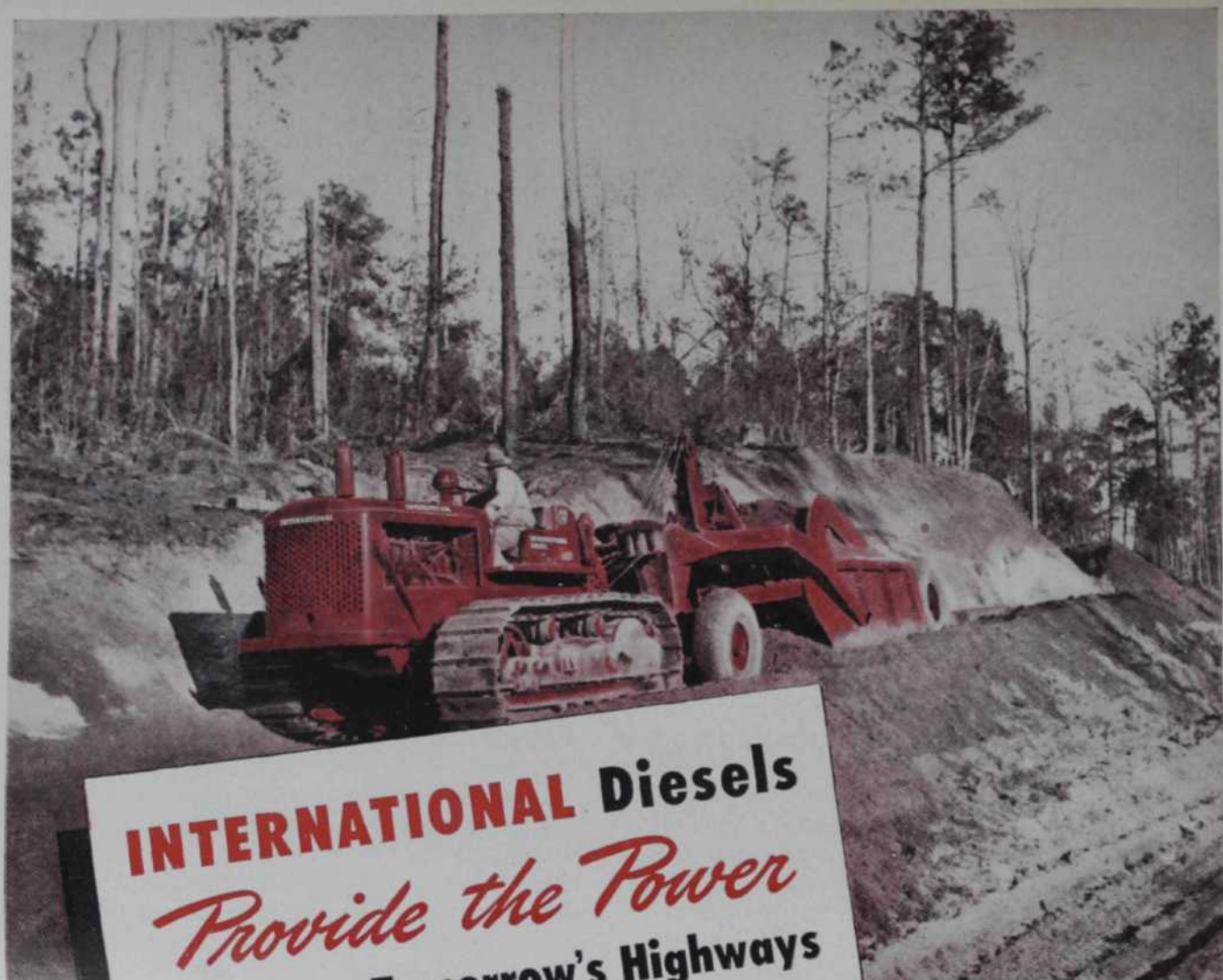
But these and similar explanations do not wholly account for mounting difficulties which have now come close to complete disaster. While the assertion may at first glance seem surprising, an unintelligent governmental system is also in part responsible for the British crisis.

Government by Class

So far as concerns the competence of the permanent civil service, or the personal integrity of administrative and judicial officers, the individual standard of performance in Great Britain is generally higher than our own. This professional governing ability, however, is subordinate to a system which accepts the debilitating principle of the supremacy of a privileged class.

Thus the Tory Party, the predecessor of the modern Conservatives, was in its origin frankly and openly representative of the landed gentry, with which the clerical interests of the Established Church were allied. The Whig Party, from which the Liberal Party evolved, was equally closely associated with the mercantile and manufacturing interests. And the emergence of the Labor Party, now more powerful than the Conservatives and Liberals combined, is due to the fact that British wage earners could find so few spokesmen for their interests in either of the older parties, each of which had its own class to represent.

Now it may be that the interests of a class occa-



INTERNATIONAL Diesels
Provide the Power
to Pioneer Tomorrow's Highways



Tune in James Melton
 on "Harvest of Stars"
 NBC Sunday 1

• Tomorrow's highways are being cut through wilderness, through swamp, across the mountains and the limitless plains. *Pioneering* is the word for it.

Pioneering takes power—bulldogged power. International Diesel Crawlers provide it. In the hands of skilled operators they move vast quantities of earth, cutting through hills and filling the valleys to give you highways that are direct, smooth, broad and *safe!*

Pioneering these roads is only one of the many jobs which International

Diesels do. They log the forests, work the mines, quarry the useful rocks and excavate for all kinds of construction—at minimum cost. They serve industry *everywhere.*

More and bigger International Diesel Crawlers are being built to meet the demands of contractors and construction men who prefer the advantages which International Diesels provide.

Industrial Power Division

INTERNATIONAL HARVESTER COMPANY
 180 North Michigan Avenue Chicago 1, Illinois

INTERNATIONAL Industrial Power

Other International Harvester Products... Farmall Tractors and Machines... Motor Trucks... Refrigeration

sionally coincide with the larger national interest. Such an assumption may also be wholly sincere on the part of those who voice it, as is undoubtedly true even in the case of Communists who assert that everyone would be better off under a "dictatorship of the proletariat." Sincerity is not disproved by the fact that, wherever this dictatorship has been set up, it is *to* rather than *of* those without property.

The burning sincerity of a class party, however, itself tends to endanger national welfare. As the sad history of persecution amply proves, belief in the righteousness of one's own group can easily transform itself into oppression of dissenters. This human characteristic has been increasingly apparent during the two years that the Labor Government has been in power in Great Britain. It was stridently emphasized during the Margate Conference of the Party, in May, when Emanuel Shinwell, the minister of fuel, proclaimed that only trade unionists count in England now and that he does not "give a tinker's damn" for the rest.

Government by Americans

Such a statement is shocking to American ears because, fortunately, our political parties traditionally are more fluid than the English and have far less tendency to follow lines of social cleavage. Of course some of the roots of the Democratic Party can be traced back to the self-interest of slave owners. It is a matter of more common knowledge that the Republican Party is still frequently stigmatized as the organ of Big Business. But charges of this sort today are primarily partisan. The present Republican Party is as eager to win Labor votes as the Democratic Party is to gain those of enfranchised Negroes. By the same token, no spokesmen of either party would dare assert in public that only one element in the American community counts and that all others are not worth a continental.

Whatever their political leaning or affiliation, Americans should never lose their sense of proportion to the extent that they solemnly identify party welfare with national salvation. To do so is of no advantage to the party, which tends to become corrupt as soon as it can count on the unreasoning adherence of its members. Similarly, the citizen serves his country ill when he indorses a rigid party line adopted in furtherance of some doctrinaire position. There can be no doubt that the action of the Labor Government in legislating a five-day week in the nationalized coal mines, at a time when increased coal production was imperative, has further aggravated Britain's problems, including those of the miners whom this Act was designed to benefit.

There is a second and associated weakness in the British system of government from which our own is fortunately free. This is found in the

absence of any constitutional guarantees for the individual citizen, who is in England at all times subject to the arbitrary will of the majority in the House of Commons. Our Bill of Rights lays down that

"Congress shall make no law . . . abridging the freedom of speech, or of the press . . ." and many similar limitations on the power of government over the people are specified in the Constitution. But Great Britain has no written constitution and, while custom tends strongly to protect individual liberties, it is always within the power of the House of Commons to strike them down. The House of Lords no longer possesses more than a delaying power over legislation and the royal assent to bills passed by Parliament is now automatic.

Politically speaking, Great Britain is far more democratic than the United States. There the will of the majority really governs, unhampered by such checks as are established by our Presidential veto; by the overriding authority of our Supreme Court and by the undemocratic nature of our Senate, where Rhode Island counts for as much as Texas, and Nevada equally with New York. It is the custom now to acclaim "democracy" as though it were a panacea for human ills. All who are not bemused by the pleasant sound of the word, however, are well aware that safeguards for individual liberty are not provided by majority rule, but by the protection of minority rights. To protect these there must be some such limitations on majority rule as our system of government provides.

No Limitation on Majority

As there are no limitations to the power of the majority in Great Britain, so under its government there is no safeguard other than custom for minorities, and for the individuals which compose them.

Moreover, the danger in the unrestricted power of a majority is doubled when parties represent classes, with a tendency to regard other classes not as fellow-citizens but rather as hereditary enemies. That the British Labor Party has something of this hostile attitude toward all private employers is only too apparent. And the suicidal psychology of class war, emphasized by the embattled attitude of class parties, is to no small extent responsible for the grim situation in England today.

The moral of the British tragedy for us is that disaster is invited when political parties are identified with class interests and when it is forgotten that unrestricted majority rule inevitably tends towards tyranny.



OF NATION'S BUSINESS

Habits that help you get ahead!



THINKING THINGS OUT. When travel keeps you on the go, there's no better place for some quiet contemplation than a Pullman room. (This one's a roomette.) Big ideas are often born in such privacy and comfort!

And there's no reason you can't practice them when you're on the road as well as when you're home.



TAKING CARE OF YOURSELF. Going Pullman, you get the good night's sleep you need to be on top of your job next day. The man who is rested, refreshed and rarin' to go has quite an edge on the fellow who is frazzled out!



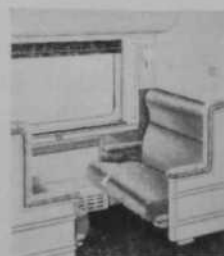
BEING JOHNNY ON THE SPOT. Pullman gets you where you're going *safely*—on dependable railroad schedules. And you get off *right* in town. No missed appointments when you go by *train*, no matter what the weather!

Go Pullman

THE SAFEST, MOST COMFORTABLE WAY
OF GOING PLACES FAST!

IMPROVED SECTION ACCOMMODATIONS, TOO!

Many of the new cars now going into Pullman service include *improved section* (upper and lower berth) accommodations, as well as private rooms. And whether you occupy a room or berth, that famous Pullman service is always yours to command; Pullman lounge car hospitality yours to enjoy.



DAY
←
NIGHT
→



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The Month's Business Highlights

WITH the nation's output of goods and services at a level above the peak attained during the war, it is difficult to see how production can be increased enough to offset the inflationary effects of the pattern set by the coal wage boost. Many of those who had hoped that a

gradual liquidation of the postwar boom could be maneuvered now believe prices will continue to build up, with intermittent fluctuations, to a point where a more violent adjustment may be expected. The prevailing feeling in objective quarters is that this adjustment cannot long be delayed. At most it is believed that the price structure is certain to have a hard jolt before the election. The probabilities are that the chief problem that public authorities will face after the election will be to prevent the decline from accumulating dangerous speed.

Although the problem of stabilizing business would have been easier had the new round of wage increases been withheld, an unusual number of factors will cushion the decline. If the situation is well managed, the inevitable recession need not assume calamitous proportions. While a reduction in the volume of exports is expected in the first half of 1948, needs abroad are such that large overseas shipments are assured. Before many months, the plan for European aid should be taking definite form. Increased foreign buying need not await actual appropriations. Once it is apparent that aid will be forthcoming, foreign countries would be quick to release more of their remaining resources. There would not be the same need for reserves and a better case could be made in applying for American help. The influence of the world situation on domestic business is not being discounted. The pattern for a century is being developed, many believe. Any temporary setback in plans for stabilizing western Europe will have immediate economic repercussions here. The London stock market has demonstrated how sensitive it was to developments at the Paris conference.

Economics and Politics in 1948

Indications are that 1948 will be a year of economic as well as political turmoil. The turmoil well could extend beyond 1948 but the party in power during the next administration is certain to benefit from the prosperous period that always follows postwar shakeouts. The factors that

TRENDS



OF NATION'S BUSINESS

would make for a long depression like that of the '30's are not present.

Regardless of the views expressed so feelingly by the French prime minister, the opinion in Washington is that progress in world reconstruction is more promising with Russia going her own way. Leaders in each of the political parties agree that the United States cannot afford to extend less help to Europe than the conditions demand. At the same time, there is full determination to make sure that no more aid is extended than is necessary. An interesting development in the study of the aid the European countries require is the number of things those countries might have done to improve their own situations which they did not do. By isolating those possibilities and concentrating attention on them, the way has been paved for action in Europe which will have beneficial effects on American business.

No Domestic Program

While Congress took a constructive and far-seeing part in the handling of foreign affairs, it adjourned with little in the way of suggestion as to what should be done to stabilize the domestic economy. One of the dangers of the situation is that no one seems to have a definite program. Even the President's midyear economic report was shy on this. Without disparaging the many good features of that report, it may be said that it does too much preaching. Government by tut-tut is not likely to work. Everyone applauds statements as to the desirability of moderation in profits, prices, and wage demands, but action usually is left to the other fellow. The statement underates inflationary effects of the coal wage settlement. The report emphasizes that the economy is complex and that no single formula will meet the situation. That was already well understood. The President's economic councilors know very definitely what steps should be taken to remove the more dangerous of the threats that hang over the economy. It is possible such suggestions were included in their report to the President. They may have been left out of the report made public, since they would have political repercussions.

• • •

Change in the political complexion of Congress made little difference in the inflationary psychology of the lawmaking bodies. Genuine inter-

est in the welfare of the farmer would have prompted action to discourage, rather than encourage, the spiraling of agricultural prices. Unintelligent as were some of the cuts, credit should be given, however, for a reduction of nearly \$2,800,000,000 in the budget. This saving in government expenditures, added to the excess of cash receipts over cash outlays, has a retarding effect on unhealthy expansion.

Those things which Congress did or tried to do which have had an inflationary effect were overshadowed, however, by the pattern set in the coal wage settlement. That settlement is expected to add to inflation many times anything that can be laid at the door of Congress.



It is apparent that the coal agreement marked a turning point. Prior to that, there was evidence that the forces of deflation were offsetting those of inflation. A gradual and healthy decline in prices seemingly had begun. Urgency in hiring was disappearing. Employment had become more selective and man-hour productivity was rising. Average working time was increasing. Labor turnover was declining. The sellers' market was disappearing. Real estate prices were easing off.

All of that seems to have given way to a general belief that a new surge of inflation has been touched off. The tinder that had been lying around has caught fire. Pressure of inventory buying that was declining now is increasing again.

To meet this new wave of demand, industry has turned on the forced draught. The gross national product promises now to reach levels heretofore believed unobtainable.

Caution signals are flying, however, in the field of capital expenditures. The general feeling that the new spurt will reach a breaking point in the relatively near future is slowing down plans for new plant and equipment.

Regardless of the fluctuations that go with the uncertainties of the moment, those who follow the "dismal" science of economics in the cloisters of Washington feel that a period of higher prices will prevail before the retreat to more reasonable levels begins. These men lay no claim to the gift of prophecy. All admit that known factors may be given too much or too little weight but the opinions of specialists who devote their lives to such studies cannot be dismissed as academic hog-wash.

Increase in payrolls at coal mines in themselves will add less than \$400,000,000 to buying power. Alone this would have no important bearing on a \$225,000,000,000 economy. Increase in a basic item of cost touches off mark-ups on a broad front. The greatest inflationary thrust comes from those who are following the example set by the coal agreement. "Who am I," asks the average

employer, "to try to stem the tide when the great steel and coal industries yield to it?"

Management generally seems to have concluded that, as long as a sellers' market prevails, it is pointless to take the brunt of holding the line when consumers themselves and public officials, supposedly the guardians of their interests, show little concern. Employers seem to have reached a point where they will do the best they can, short of a strike, to hold down costs but are willing to wait until a buyers' market develops to get an equitable adjustment of labor costs. A disquieting impression is that John L. Lewis might have been granted even more if he had had the courage to hold out for it.

No disposition is shown to dispute the claim that mine workers should have had a raise. They probably were not paid enough when the character and the hazards of their jobs are compared with pay in other industries. The untoward effect of the settlement is felt elsewhere.

It is true that most of the big industries have wage contracts that have some time to run but, if a disproportionate increase in another industry arouses discontent, the effect on labor relations and the rate of production can be bad. Labor leaders in other industries are put in a position where they have to find a way to open up the existing contracts.

This is the first inflationary boom in which stock market loans have not played a part. Formerly those loans created a large amount of buying power in prosperous times and contracted it in times of recession. The stock market is using less credit now than in the depth of the depression of the '30's.

A wave of gold hoarding is sweeping many countries. Prices up to \$200 an ounce are being paid. This not only reflects a lack of public confidence in the future, but shows a degree of disorganization in world finance that is worse than at any time in the past. It also shows clearly that gold, having been officially dethroned all over the world, still stands unchallenged in the hearts of the people—as the one safe refuge in a chaotic world.

Farming Becomes More Efficient

Consolidation of farms into more efficient units, employing fewer but more efficient workers is a trend reported from various sections. It is becoming more noticeable as improved farm machinery becomes attainable.

Chances are against a crisis in corn. Most of the shortage will be made up from the wheat surplus.



OF NATION'S BUSINESS

PAUL WOOTON

"How they turned off the lights in Payroll"

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Washington Scenes

THE DOG DAYS here have been enlivened by early skirmishing on the 1948 political front. It is an extraordinary thing, this unseasonal reconnoitering and sniping by presidential aspirants, and it can be explained in only one way: The prospect of a Republican victory now seems brighter than it has at any time since 1928.

Not a single delegate has been chosen for the Republican National Convention to be held in Philadelphia next June; none will be chosen until the spring. Yet the battle to corral delegates, phantoms though they may be, is on in earnest, fully nine months before the convention and 14 months before the '48 election.

Delegates to the Philadelphia conclave will total 1,093. A candidate, to capture the G.O.P. nomination for President, will have to get a majority of them, or 547.

Candidates for Republican Nomination

What is the prospect? On a recent cross-country trip, I heard several Republican big-wigs say that the '48 convention would be "wide open"; meaning that no one candidate would have a lock on the nomination in advance of the balloting. They said that many influential men in the party were inclined to sit on the fence at this time, and to follow a wait-and-see policy. They thought that this period of fence-sitting might be followed by some earnest and calculated "shopping."

The field from which to choose promises to be large, another indication of the high hopes that now pervade the Republican Party. Here, subject to some revision later on, is a prospectus of G.O.P. candidates and possible candidates:

Gov. Thomas E. Dewey of New York, 44, now making his third bid for the Presidency. He leads in the Gallup Poll and in the betting. However, he is far from being "in," and he realizes it. After Dewey's "vacation tour" in July, his backers claimed that they could already count on 400 convention votes for him. This must be twice what any other aspirant can count on at this time, yet it is still 147 short of the number needed. The New York governor, enjoying the advantage of a good record as chief of the most populous of the 48 states, hopes to go along gathering strength without having to announce himself as a candi-

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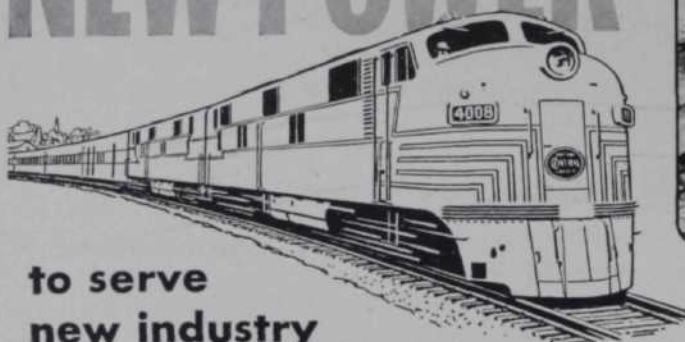
date for the Presidency. Efforts to smoke him out, however, are getting more and more intense, and he may have to abandon that strategy and conduct his fight in the open.

Former Gov. Harold E. Stassen of Minnesota, 40, the only avowed candidate for the Republican nomination. He declared himself as far back as last December. This brought him applause for his honesty and frankness, but that's about all. Professional politicians, especially the older ones in the G.O.P., don't have much use for Stassen, although he is No. 2 in the popularity polls. His chief strength lies with those who like to call themselves independent and with university students. At the time of the Gridiron Dinner in May, Stassen said he "might be willing to take the vice presidency" if he failed to get the greater prize. In the opinion of many of Stassen's friends, this was an appalling blunder. They felt that it caused him to lose face. Nobody around here can remember when a candidate for the Presidency began lowering his sights so far in advance.

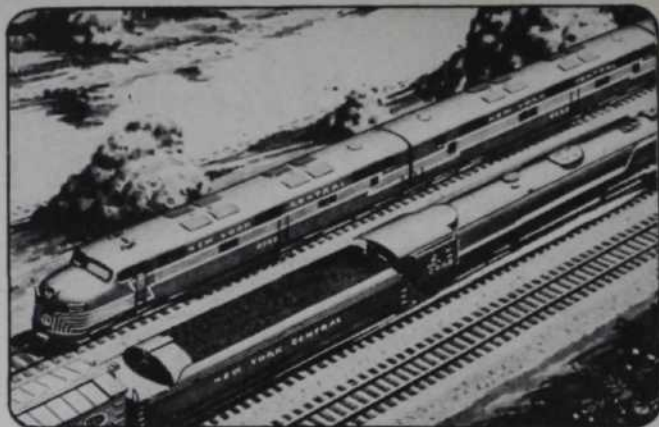
U. S. Sen. Robert A. Taft of Ohio, 58, who stands third in the popularity polls (just behind Stassen) but who nevertheless is Dewey's chief rival for the nomination. The Ohioan is about to launch an ambitious speaking tour starting in the Far West, and he does not intend to call it a "vacation." Taft's courage—his refusal to let his presidential aspirations shape his voting record in the Senate—has won him a great deal of respect and admiration. He doesn't have much glamor, true; but his backers like to think that the American voters may be a little tired of glamor. Two things may hurt Taft: first, he seems to be the man that President Truman would most like to face in '48, and second, his foes are spreading the word that he couldn't carry New York. It is conceded that Taft will have 200 or more votes going into the Philadelphia convention.

U. S. Sen. Arthur H. Vandenberg of Michigan, 63, who was frankly a candidate in 1940, but who this time is almost vehement in saying he is not interested. This may turn out to be the smartest strategy of all. Many of his colleagues think that Vandenberg is the ablest man in the Repub-

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lican Party. Some Democrats say he is the man they most fear. In the case of a convention deadlock, therefore, the Michigan statesman would be well worth watching. His age would be no issue, if President Truman should, as seems likely, be the Democratic nominee. They are both 63.

Gov. Earl Warren of California, 56, whose backers are to be found chiefly in the West. This big, genial politician turned down Governor Dewey's offer of the vice-presidential nomination in '44. Dewey, from all indications, would like to have him as a running mate in '48, provided he himself gets the No. 1 prize. That would make it possible for the G.O.P. to offer the nation a coast-to-coast ticket. Warren is playing a cagey game, saying nothing. The Dewey people say they find him hard to understand, but Warren's friends think that his conduct is quite plausible. They suspect that Warren has a hunch—a hunch that the lightning of a Presidential nomination might strike him as well as anybody else. One of Warren's assets in California—the fact that he won both the Republican and Democratic nominations for governor last time—may be a handicap to him in the national arena.

Gen. Dwight D. Eisenhower, 56, whose admirers continue to boom him for the Republican nomination despite his protestations that he is not, and will not become, a candidate. It seems a good bet that somebody will try to toss Ike's name into the Philadelphia convention. Would Ike take the nomination? Some nine or ten months ago, a man from the Midwest, a powerful figure in Republican councils, got together with Ike and tried to persuade him that he owed it to the country to throw his hat in the G.O.P. ring. The conqueror of the Germans gave three reasons why he could not do so: 1. His whole training has been in the military field. This has put him out of touch with the thinking of the great mass of Americans. 2. His soldier's loyalty to the commander-in-chief would not permit him to run against his good friend, President Truman. 3. In every man's career there is a climax, a pinnacle. It came for him in May, 1945, when he accepted the German surrender in a red school house in Rheims, France. Anything after that would be, for him, an anticlimax.

However, there are other Eisenhower-for-President enthusiasts and they must be reckoned with. Ike has not yet gone as far as Sherman and said he will not accept if nominated and will not serve if elected.

Mr. X, the dark horse, who may come from nowhere to capture the nomination. He is listed here for caution's sake. Some political ob-

servers, looking over the field today, are reminded forcibly of 1920 and 1940. In '20, it will be recalled, Gen. Leonard Wood and Frank O. Lowden killed off each other at Chicago, and Dark Horse Harding romped home to victory. In '40 it was Willkie, a dark horse of even deeper hue than Harding. The scene of Willkie's triumph was the same as that for the forthcoming drama, Philadelphia. And, curiously, the preconvention leaders this time were out in front that time, too. They were Dewey and Taft. History could repeat.

The list of candidates, or potential candidates, is not yet finished. It looks as if there will be a whole legion of "favorite sons"; that is, governors, senators and representatives whose state delegations will support them up to a certain point in the convention. Pennsylvania, for example, is expected to back Senator Martin; Massachusetts, Saltonstall; Connecticut, Baldwin; Indiana, Halleck, and so on.

Second Choice May Decide

This could prove a serious obstacle to Governor Dewey's chances. Unless he could make himself the second choice of some of these delegations, it might even prove fatal. But, if the New Yorker does line up a respectable number of second-choice votes, it is hard to see how he can be headed off. Suppose, for example, that Vandenberg should get up along about the second ballot and ask that his name be withdrawn. Suppose, further, that he should then announce that Michigan's 41 votes would be cast for Dewey—well, the result probably would be a Dewey stampede.

The Dewey strategists are honest in saying that if the erstwhile racket-buster fails to get the nomination by the third ballot, he probably will be sunk. They would expect that after that he would begin to lose his followers.

The Democratic National Convention, a site and a date for which are to be announced this month, promises to be a tame affair, barring a monkey wrench maneuver by Henry A. Wallace and his supporters. Mr. Truman's nomination is, of course, assured. All that will remain will be adoption of a platform and nomination of a vice-presidential candidate.

There is no visible pessimism among Mr. Truman's political aids. They say the Democratic Party reached rock bottom last fall, and they feel that things have been looking up ever since. For confirmation of that they point to a recent Gallup poll. This showed that 55 per cent of those questioned said they preferred the Democratic Party, nationally, and 45 per cent the Republican Party.

EDWARD T. FOLLIARD



OF NATION'S BUSINESS



Overheard while the steaks were broiling

MAN IN RED SHIRT: Henry, what sort of service has *The Travelers* given you people on Group Insurance?

MAN IN CHECK SHIRT: So consistently good that we turned all our Employee Insurance over to them last year.



"That's some vote of confidence. How are they able to give you better service?"



"You can see why the minute you look at a map of their claim and engineering service locations. It shows you Travelers offices all over the country. As a matter of fact, there's one within a short drive of every office we have, in the United States and Canada."



"That would mean fast service, all right, and I judge you haven't had any fault to find with the way claims are handled."



"You're dead right. And we've found Travelers men a pretty friendly, sympathetic bunch. They know their business, too. Frank tells me they settle more than a half a million employee claims every year."



"Experienced service like that must surely cost

your company a great deal, doesn't it?"



"No, that depends on your record. By taking advantage of *The Travelers* safety engineering and sickness prevention services, we have been able to earn substantially lower rates."



"You make *The Travelers* sound like good people to do business with. I wonder if they could help us."



"That's easy to find out. All you have to do is call a Travelers agent or your own broker. He will probably get some company specialists in on your problem and work out a plan suited to your own particular needs."

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With Honor in His Own Country

By HERBERT COREY

**FROM world hero to whipping boy
and back—the saga of a man
whose shyness is his worst enemy**

FOR 14 years Herbert Hoover was behind the political eight-ball. The party bosses had branded him I.C.—Inspected and Condemned. This is no criticism of the bosses. Hoover had many friends but hardly a trace of a delegate. The roof of the world had fallen in while he was in the White House and millions of people thought he had pulled the props.

They hated him.

The word is not too strong. He had become the whipping boy for all failures—the Florida land bust, the bank closings, the stock market collapse. He had slipped so far in popular estimation that "Hooverism" came into the language.

Today Herbert Hoover is regarded as the First Citizen of the United States. Democratic leaders appear to rate him as highly as do the Republicans. President Truman asked him to inquire into European affairs. His report might be taken as a precursor of the Truman-Marshall doctrine. Hoover has said of Truman: "He is a man without guile."

Innumerable editorials testify to the high place Hoover now holds in public affairs. A bill introduced in Congress proposes that ex-Presidents be made ex-officio senators. Hoover is the only living ex-President. His words of caution against wastage of American resources were considered soberly everywhere. He has been the aide and confidant of congressional committees. He is the chief of the newly formed bipartisan committee which is to study the proposed reorganization of the executive branch of the Government. His estimate of Russia has been accepted as a guide in policy.

In a word—he's back.

Because he fell so hard, stayed down so long and rose again so high, it's a news story.

The essential Hoover has not changed except to mellow a bit with age. He is 73 years old. He has no political ambitions. He is a Republican

INTERNATIONAL NEWS

NATION'S BUSINESS for September, 1947



but, if he prefers one Republican candidate to another, he has never named the man. He has looked them over with a realistic eye and may have commented on them to his friends. He talks to these friends with absolute candor. Most of them have been his intimates since 1914. They remained faithful when almost all the rest of the world deserted.

He has spent a good part of his life in rooms filled with cigar smoke, he eats anything, he takes no care of his health, he likes to fish, which is not an inordinately healthful addiction. He went around the world in a plane and was the freshest man in the party when he got back home.

Has to live expensively

HE IS fairly well to do but not rich as riches are counted nowadays. Some years ago he turned over most of his property to Mrs. Hoover. Her estate, at death, totaled only \$300,000. He spends a great deal of money, because a fairly regal way of life is forced on him. A suite in the Waldorf Towers is not inexpensive and, when the house guests include governors, ambassadors, senators, former prime ministers and great bankers, provision must be made for them. Extremely generous, he has saved many of his old friends from humiliation as their earning powers decreased. He never kept a penny

of his salary as President or as secretary of commerce but used the money to supplement the modest salaries paid by the Government so he could get the men he wanted to do the Government's work.

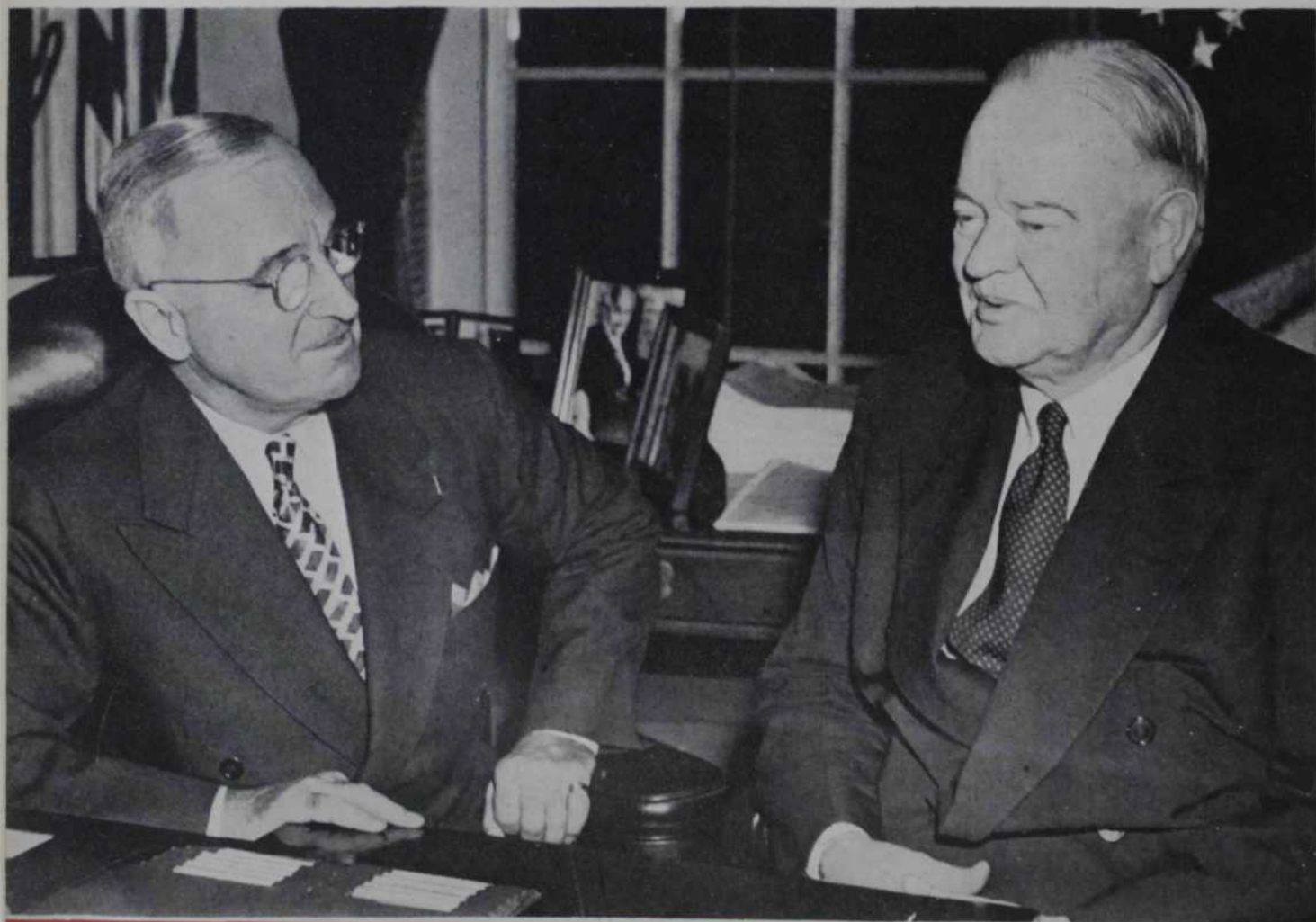
His friends suspect that now and then he does something in the market. His friends agree, too, that, inside his sometimes forbidding exterior, he is extremely diffident, shrinks from meeting strangers, and has a natural dignity. The fact that he also has a tender heart may not be immediately apparent.

"Hoover isn't a stuffed shirt," said an intimate. "But at times he can give the most convincing impersonation of a stuffed shirt you ever saw."

While President he was the guest of one of the great engineering societies at a splash dinner and medal-giving occasion. As he entered the room where the formal reception was held, he whispered to the engineer who met him:

"Don't introduce me to anyone if you can help it. Get me away as soon as possible."

Yet all were men of his breed. He had merely been overcome by his shyness. A friend sat in the Hoover home on one occasion and watched Hoover romping with his grandchildren. On his hands and knees playing horse to the young riders he was as happy and about as noisy as they were. The door opened and an important politician was shown in. Hoover rose, was stiff and unyielding. Although he



TRUMAN POLICY and Marshall Plan are largely based on Hoover's report

PRESS ASSOCIATION

knew the visitor well, it was half an hour before he was himself again.

Some of his diffidence can be traced to his childhood. He began as an orphan in a moneyless Quaker family. The three households in which he lived at intervals were self-respecting, self-supporting, deeply religious and stern. No doubt the boy was loved, but little was said about that. Those who remember him in his school days recall a silent, well-behaved and lonely figure.

He worked his way through college and, in 1895, was an honor man in the first class to be graduated by Stanford University.

Two years later he went to Australia to represent an English mining syndicate. Later he was to visit China, Africa and South America, always accompanied by "Lou Henry"—his adored and devoted wife.

She shared the physical hardships which were a part of a mining engineer's life, as well as a knowledge of his every thought and action.

In those early years of struggle he could have no other confidant. In a sense, every man's hand was against him, an experience which may have had much to do with the formation of an outer crust which seems to many mere acquaintances to have some of the characteristics of an iceberg.

I first heard of Hoover in 1914 when American refugees were pouring into London from the Con-

tinent. No one knew what to do with them. Ambassador Page spent all his time trying to keep abreast of the war movements. No doubt he did eventually sign a paper giving Hoover some kind of authority but, for days, Hoover went ahead on his own. The American Chamber of Commerce backed him. British newspapers referred to him only as:

"An American mining man."

Persistent inquiry found only one man who professed to know Hoover well. He said that, in The City, the brokers advised:

"Buy when Hoover does and sell when he does and you'll never go far wrong."

U. S. Food Administrator

ALTHOUGH millions of words were printed about him after that, his performance as United States Food Administrator in World War I may never have been realistically told. The story of the brick-and-club fight he carried on with foreign governments has been more or less suppressed. They were in desperate need, they regarded the United States—as they do now—as an inexhaustible reservoir of treasure guarded by a magnificently soft-headed people.

Not too well supported by his Government, Hoover fought all hands, fed the babies and at the
(Continued on page 77)



HE FED BABIES after World War I. Polish children have confidence now

Good Ships are Good Salesmen

By JOHN McJENNETT

HAS THE BLOOD of the Yankee trader run thin?

All that's left of the rakish Clippers of a century ago is a cloud of romance and some adventure fiction about the marlinpike dictatorship of the bucko mate. But the commercial horse sense that good, fast ships built trade, which brought the Clippers into being, seems almost forgotten. Apparently, what is good enough for us wasn't good enough for our great, great grandfathers.

When Admiral William Ward Smith, chairman of the Maritime Commission, said that "with more than 5,000 ships left at the end of the war, the U. S. is nevertheless without an adequate merchant marine," he said what every in-

formed shipping man knows. The merchant marine is sadly short of several types of vessels essential in the make-up of a good fleet, and in the servicing and promoting of our foreign commerce.

Unless these gaps are plugged in time, overseas markets which the steamship lines, with a balanced and modern fleet, could get for U. S. manufacturers and farmers will go to others. Imports we could well use, whose purchase would create foreign buying power, won't be introduced. Business and agriculture will lose millions of dollars' worth of foreign trade in the next few years which means less money in the individual's pocket, fewer jobs, and smaller profits.

President Truman recognized

the seriousness of the situation when he appointed a five-man civilian committee to study the problem. He wrote the committee Chairman, K. T. Keller, an officer of the Chrysler Corp.:

"... the United States faces critical problems in connection with construction, modernization and maintenance of an adequate fleet of passenger vessels. With no new passenger liners scheduled to be built in the immediate future, the nation is not assured of the existence of a balanced and modern merchant fleet."

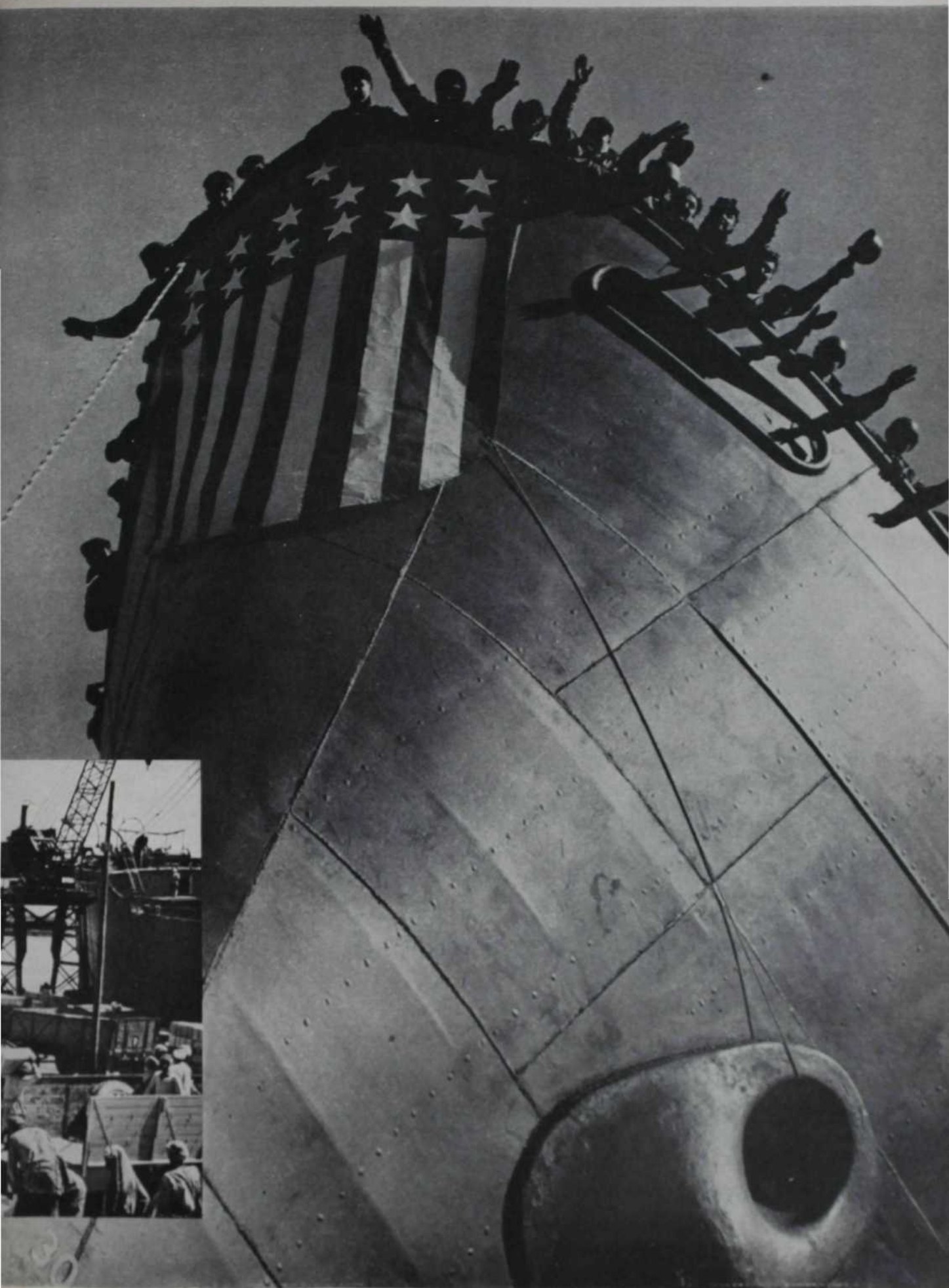
The stake that business and agriculture have in the merchant marine is Brobdingnagian. Our overseas commerce has moved into the multi-billion-dollar class;



We have plenty of fast, efficient cargo ships



Lines efficiently operated have pioneered many new markets



\$1,200,000,000 a month when non-recurrent items are eliminated. The National Planning Association estimates that, providing we play our cards right, we may attain a maximum foreign trade of \$16,000,000,000 per year. Shrewd Will Clayton, a seasoned trader in foreign marts and now Under Secretary of State for Economic Affairs, believed a \$10,000,000,000 volume of exports a long-run possibility if we don't commit trade suicide by upping tariffs.

Sales at these rates put black ink on the books of the manufacturer of radio condensers in Denver, the chemical plant operator in St. Louis, the Florida orange grower, the food processor in the Napa Valley of California and the lumberman in the State of Washington.

Redwood City, Calif., out of sight and sound of deep water, found that \$165,000 of the \$800,000 annual payroll of the community's largest industry—a fruit packing concern—was traceable to sales abroad. It took the concern's employes, the local druggist and the butcher, the wholesalers who supplied them and the fruit growers who sold to the plant no time at all to figure out that they had a cash interest in a ship line's operations. It was the line's foreign staff who spotted a potential market for the packaged fruit and the line that built it up.

The instance is typical of the relationship between shipping and

international trade. Commodore Robert C. Lee, a Moore-McCormack executive, recently commented that "few seem to remember that part of the function of a merchant marine is building and developing international trade."

Building foreign trade

IN a quiet way, U. S. ship lines have drummed up much overseas business for industry and for the farm producers. On several occasions, in the '30's, the Maritime Commission and a ship line teamed up and set freight rates below cost to encourage traffic on a new route.

Some of the lines have accomplished much on their own. Moore-Mac's Trade Development Bureau scouted out new outlets for chemicals, electrical and farm equipment in eastern South America. The line then promoted the import of rare fibers, carnauba nuts from Brazil, fresh fruits, frozen fish (South American seasons are the reverse of ours) and new vegetable oils from the Argentine.

After several vain attempts on his own, one maker of galvanized pipe asked Moore-Mac for help in getting export sales. The shipping company put him in touch with a Brazilian buyer who has taken thousands of tons. A midwestern manufacturer of conveyors asked for and got a market survey in South America. A half-dozen orders already have come in and

more are in prospect. Before the war shut off the area, Moore-Mac built from scratch a trade in hams, glassware, bentwood furniture from central Europe. As a yardstick of volume, the freight revenues for ten years averaged \$500,000 annually.

American President Lines felt there was a market for perishables—particularly citrus fruits—in the Orient. They installed refrigeration in their ships to handle such cargo in volume. The value of these exports ran into millions yearly. The line also took cargoes on consignment—an unconventional arrangement—to be sold on or after arrival. It made a practice of carrying free samples of clients' products for display in a promising market. It pioneered the export of lumber to the Far East and boosted volume to 1,090,000,000 board feet yearly.

Tourists and freight

MATSON invested millions to create an Hawaiian tourist trade. The company showed island sugar mill operators that U. S. oil would be a cheaper and better fuel than the high-cost Australian coal they were using. Matson's subsidiary, Oceanic, upset the trade applecart on the South Pacific route with a pair of luxury liners. Everybody who was supposed to know said the traffic wasn't there to support such ships. To begin with, it wasn't. Oceanic built it. In a recent year Oceanic took in about \$6,000,000 in revenue—more than double the total for all lines before the new outfit came in.

United Fruit took a different tack. The company established two Agricultural Institutes in Central America that teach diversified farming. The underlying logic is simple enough. Diversification means a higher standard of living, an improved market for U. S. exports—and more southbound freight for the White Fleet.

Since the war, steamship lines have picked up where they left off. Competition makes most of them reluctant to be specific. But Line A, for example, has three men based in the line's overseas trade area combing the region for markets and watching for local products salable here. They have helped get backers for several new enterprises. Line B is awaiting an answer from an association of agricultural producers on its proposal to make a market survey for a certain product to be exported. It was the steamship line's idea, to be

(Continued on page 68)



Speedy combination vessels also are needed in numbers

WM. LAVIN



V. A. PHOTO

When the Veteran Answers Sick Call

By JUNIUS B. WOOD

NO OTHER NATION approaches the United States in appreciation of those who have defended their country or worn its uniform. The nation assumes the responsibility both as an obligation to the veteran and as an essential to national health and economy.

The policy began with the granting of lands to the Revolutionary soldiers and was continued by way of pensions and other emoluments through later struggles.

Before the Spanish-American war, veterans needing hospital care for war injuries were accommodated in soldiers' and sailors' homes and other government institutions. After that war, the Government paid for their care in private institutions near their homes.

The War Risk Insurance Act of 1917, providing reasonable

medical and hospital care for discharged veterans, was the first legislation of that character. The Veterans Bureau was established in 1921 and a law of 1923 extended hospital privileges to veterans of the Spanish-American war, Philippine Insurrection or Boxer Rebellion who were suffering from mental disorders or tuberculosis. Hospital facilities were ample for all veterans at that time and, to make sure that no bed would be empty while a worthy veteran lacked care, the World War Veterans' Act of 1924 included a provision extending hospital privileges to any veteran regardless of whether his ailment was contracted in military service or not.

Under this law the United States practically guarantees free hospital treatment to 18,-



PHOTO BY SIGNAL CORPS

*Like most other items, medical care
and equipment costs are increasing*

000,000 American citizens for the rest of their lives.

Since the public, Congress and succeeding administrations have approved this policy, it seems worth while to estimate how big a promise we have made and how well we are equipped to fulfill it.

The Job: In 1925, the first year after the law opened hospital doors to veterans with non-service-connected disabilities, 11,282 World War I veterans with peacetime disabilities were admitted. Those with war-contracted ailments outnumbered them 5.6 times. Each year after that numbers of the former increased while the latter decreased. In 1928, peacetime disabilities outnumbered wartime casualties. Two years later the Veterans Bureau became a part of the organization known today as the Veterans Administration.

In 1943, the service-connected disabilities were 7,489 and the non-service, World War I patients 17.5 times as many. In the same year, 50 Spanish-American war veterans were hospitalized for combat injuries and 240 times as many for misfortunes that happened later and, although it was only the second year for World War II veterans, their non-service cases already outnumbered service cases. Total hospitalizations included 56,392 service-connected disability cases and 4.6 times as many non-service.

However, at the close of the year—a typical single day—the ratio was one service to two non-service, indicating that most non-service patients respond more quickly to treatment and are in hospitals for only half as long as those with war-caused disabilities.

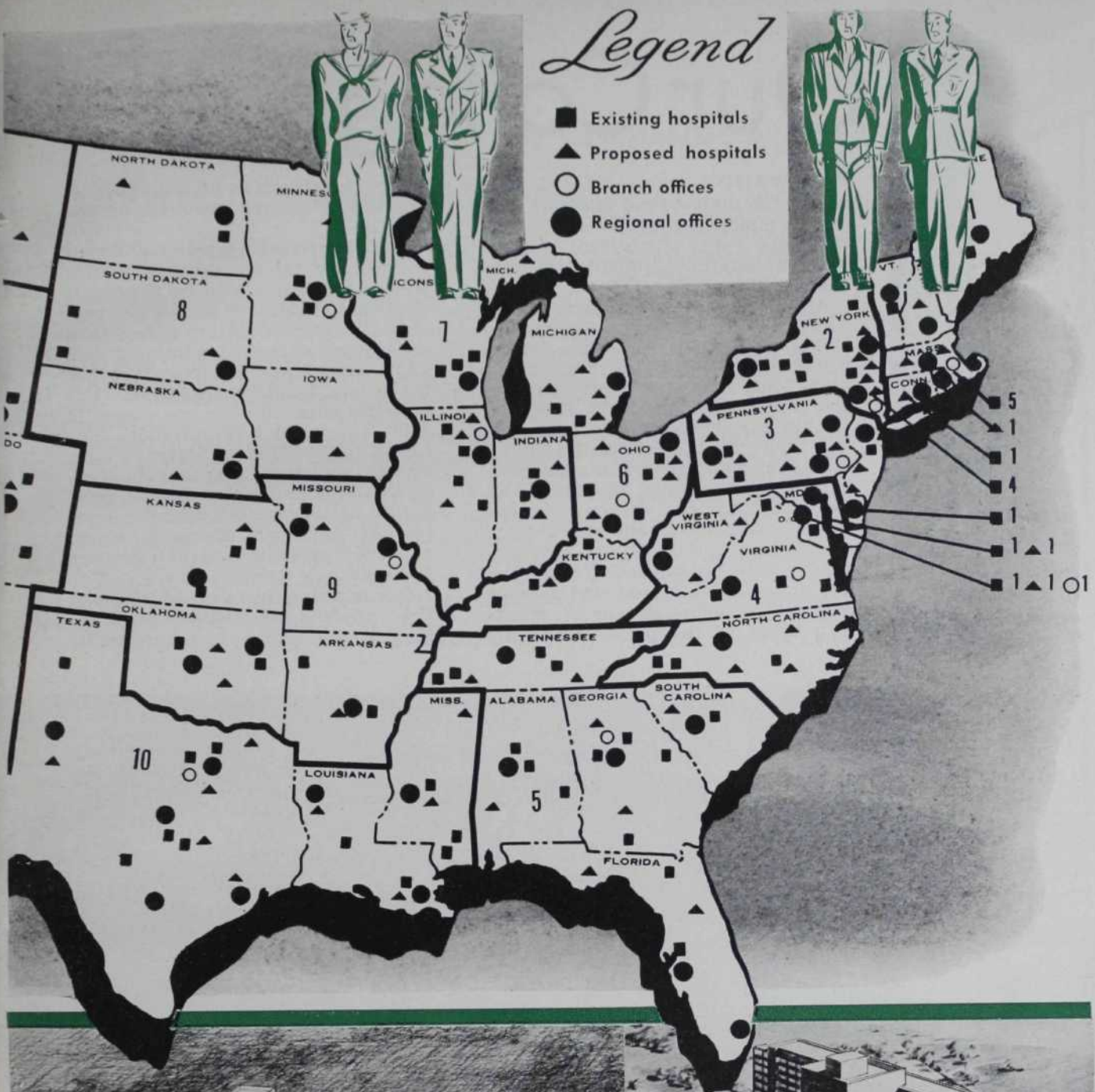
What this means for the future is not easily foreseeable. Some planners figure that only

(Continued on page 85)



Although 74 new hospitals and 47 additions to existing facilities are slated, only eight have been started. Others are architects' dreams





VETERANS ADMINISTRATION PHOTOS

Our College Jam

AS WAGON trains creaked west across the prairie from Missouri during the middle of the last century, pioneers saw a sign which read: "Choose your rut carefully—you'll be in it for the next 500 miles."

After the stresses and strains of war, America's colleges and universities are trying to find their ruts on the road to a new and exciting future. Decisions made today and worked out tomorrow are crucial ones that will affect directly the course of higher education and indirectly the fate of the United States for many generations to come.

These are times of transition and Mark Hopkins' ideal system of education—a professor on one end of a log and a student on the other—is as outmoded as it is uncomfortable. The day of the quiet, ivy-covered campus outside the main stream of events is a thing of the past—living only

on the silver screen of Hollywood or in the rose-colored nostalgia of *The Old Grad*.

Call it an "educational factory" if you will, but the big, bustling, metropolitan university with its thousands of serious students is setting the pattern of higher education today. Most college and university administrators know these things. It is important that the general public, the taxpayers who foot the bills, also become aware of what is happening to university education in the United States. I have always thought it a pity that the Kentucky Derby or a championship prize fight is better reported than the progress of American education which gets only sporadic and half-hearted coverage.

One of the most exciting stories of 1947 concerns the problems of America's 1,750 colleges and universities



PAUL HOFFMASTER

Thickens

By CLARENCE A. DYKSTRA

A UNIVERSITY provost with 25,000 on his school's campus says crowded classrooms are here to stay

which are almost literally bursting at the seams. The prewar high of 1,500,000 students has now become 2,100,000—with increases in individual institutions ranging from ten to 500 per cent. Student housing is woefully inadequate; classrooms and laboratory space are at a premium; and the struggle to find good professors is almost as keen as competition for winning football coaches.

This situation was summed up recently by one of our students, an ex-infantry captain, who said:

"I feel right at home. Classrooms remind me of the troop transport on which we sailed to France. The garage where my wife and I live is a dead ringer for one I lived in for a month at Aachen."

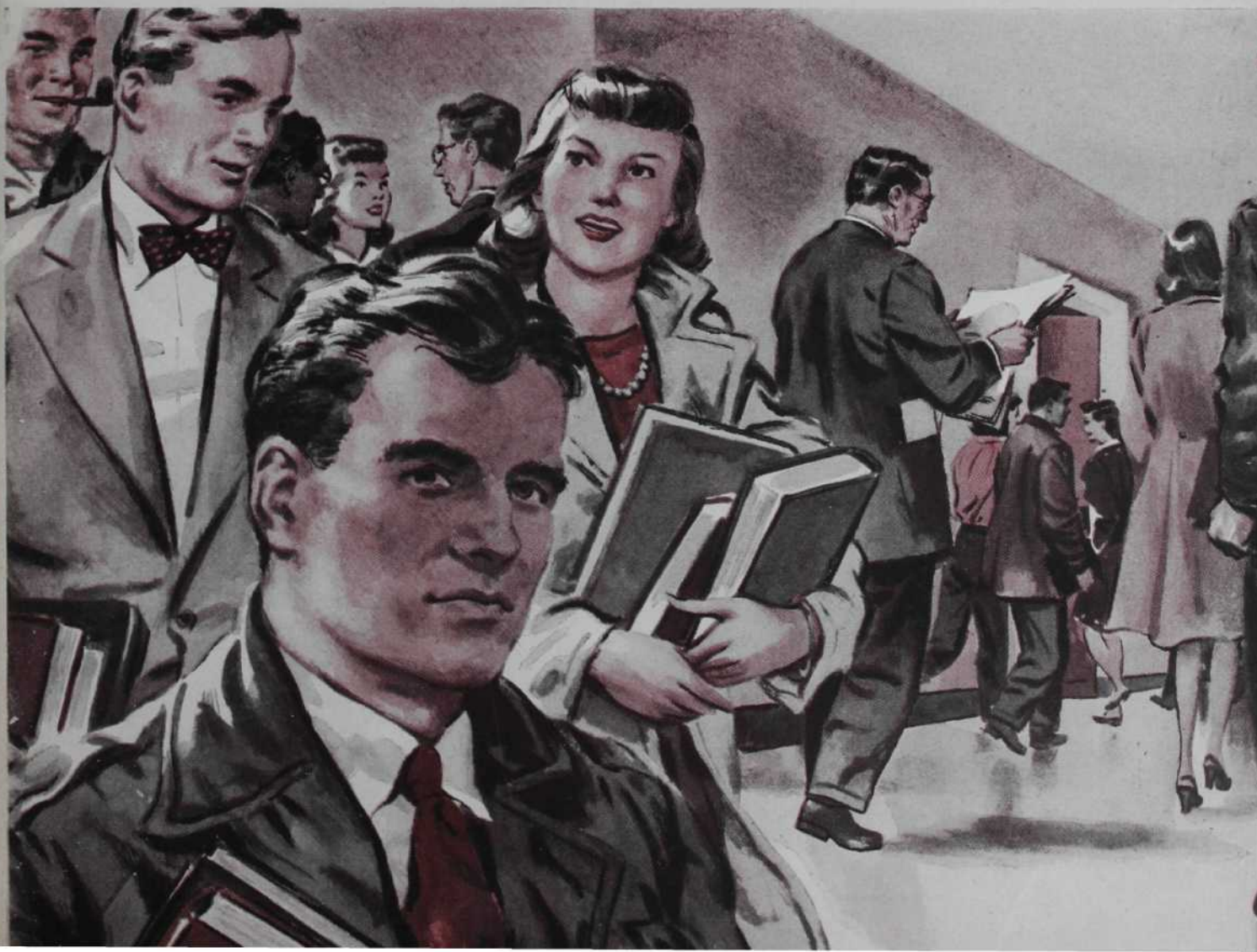
Present-day overcrowding in the upper levels is

just the beginning. Sociologists who interpret birth statistics and population curves tell us that enrollments will keep on climbing until about 1960 when we may have as many as 3,000,000 students on our campuses. After that the curve will level off—not drop.

Where are all these students coming from? Veterans, to be sure, are swelling present enrollments. About 1,000,000 are in classrooms now, and another 2,000,000 have been certified as eligible for training under the GI Bill of Rights. High schools are pouring out larger and larger streams of students willing and capable of doing college work. Our adult education programs are growing enormously.

To meet these changing conditions, new techniques must be devised. The old formulas won't work any more and college and university administrators might just as well get used to the fact that crowded colleges are here to stay.

All institutions, whether they be educational, religious, industrial, social or political, yield slowly to new demands of the times. In the world of business and industry, an automobile manufacturer



may scrap what seem to be good dies and machine tools in order to turn out a new model. It is not quite so easy to alter the educational assembly line—and, on the whole, perhaps not so desirable. The problem of education is, therefore, a determination of what to do and when, what to save of the old and what to accept of the new.

To create the new-model college student, who will perform to the credit of himself and his nation, we are going to have to find satisfactory answers to these vexing questions: 1. Who shall go to college? 2. What are the techniques for handling large groups of students? 3. Where shall we get more classrooms and housing facilities? 4. How are we going to maintain large and competent faculties? 5. Which courses and curricula shall be offered to prepare American youth for a future which includes both the United Nations and the atom bomb?

In finding the right answers, we are a little like an old professor at a Midwestern college who had reached the ripe age of 100. When asked by reporters to what he attributed his vitality, he chuckled and said:

"I don't rightly know. I'm dickering with two breakfast food companies and haven't made a choice yet."

For many years it was thought that high school records were a reliable index of success in college. But an interesting experiment is raising some important questions in this connection. In its Veteran College, Brown University is admitting stu-

dents solely on the basis of affirmative answers to two questions. Are you serious in wanting to go to college? Do you think you can succeed?

In this experiment students average 23 years in age—about six years more than the non-veteran freshman—and come from all walks of life. One is an admiral's son, another a professional boxer and a third operates a milk route.

On three tests, the American Council on Education Psychology examination, the Iowa English test and the Cooperative Mathematics examination, 50 per cent of the veterans in this experimental school proved as good as 70-75 per cent of regular Brown freshmen.

More may qualify for college

THE implications, therefore, are far-reaching. If so-called marginal students can become good college material, the entire concept of college admissions may have to be re-examined.

Factors other than high school grades may have to be weighted more heavily in determining entrance applications.

On the other hand, many students who think they want to go to college should be steered into America's 630 junior colleges. For those who do not want or cannot afford four full years, it is perhaps the ideal answer. Junior colleges got their start in the West, but have developed rapidly in the Mid-

(Continued on page 81)

Student housing is needed. Last year 350,000 prospective collegians could find no place to live





Chairman R. B. Brown (center) knew what worried fellow small business men

They Never Said "Uncle"

By JOHN HERLING

WINSTON-SALEM'S Small Business and Industry Club may well provide a pattern for other communities to follow

IN WINSTON-SALEM, N. C., about 70 small business men have set in motion a chain reaction of self-revelation, self-reliance and self-confidence. With quiet satisfaction they are knocking over the Chinese Walls of indifference which partition too many towns into mutually exclusive business compartments.

The agency responsible for this constructive operation is the Small Business and Industry Club, organized last October with the cooperation of the local chamber of commerce, which provides clerical help and other assistance.

Although Winston-Salem, population 92,000, has four large industries—tobacco, textiles, furniture and electronics—and takes character from the most prominent of them, the proportion of small busi-

(Continued on page 54)



Some didn't realize Tom Whitlock was a business man

LOT II

It's All in How You Look at Prices

By JACK B. WALLACH

EARLY THIS past spring the directors of one of the world's largest stores were fingering meditatively the company's statement on operations during the previous 12 months.

One portion of the statement bothered them. It showed net profits had shrunk during the second six months. That shrinkage of net was a result of heavy mark-downs.

This store's experience was duplicated on a thousand Main Streets of the land. Tons of merchandise backed up on retailers and manufacturers last fall, especially in soft lines.

The consumer, no longer spurred by scarcities, hadn't been so quick to spend her dollars.

What was more, OPA's passing brought out of hiding the kind of goods that couldn't be made or sold at ceiling prices. Prices in many instances rose sharply.

These developments affected every store in the country, but naturally they affected most a store that sells millions of dollars of goods weekly to millions of people.

To explain its position to its stockholders and, possibly to put some heat on its suppliers, the store ran a full-page advertisement in every local daily advising all and sundry that some prices were high and some were low.

It urged manufacturers to rec-



Where wages go, prices must inevitably follow

ognize consumer resistance to high prices and govern themselves accordingly. The incident is significant only because it touched off a succession of price proclamations and pronouncements.

After a spell of noble rhetoric at regular space rates, various plans were launched. That of Newburyport, Mass., merchants received nation-wide publicity.

These plans can be summarized readily: They consisted of proposals to manufacturers to cut their prices so that retail outlets could promote the reductions and boost volume.

As bait, some retailers cut prices on slow-moving goods, a move that perhaps should have been made sooner, and the suppliers were invited to follow suit. Less than ten per cent of the manufacturers responded, even when President Truman, making repeated pleas for voluntary price reductions, went so far as to intimate that combinations in industry to bring about lower prices would not be prosecuted under the antitrust law.

Soon everyone was talking about prices. The Federal Trade Commission got into the swing of things with an inquiry as to the extent to which fair trade laws have kept prices up when free trade might bring them down.

Foreign trade came in for its share of attention, too. The public began to read of the fantastic prices paid in China or Mexico or Brazil for American-made automobiles, nylon hosiery and other items. Voters wrote indignantly to their congressmen to complain that goods they couldn't buy in this country were being poured into foreign markets. (Few "Dear Congressman" correspondents were aware of our export quotas.)

The price clamor at home was heard and heeded overseas. Foreign buyers hesitated to pay prices that they gladly had accepted a few months previously. Like ourselves, they became more selective and fussier.

Within a surprisingly short time, it became obvious that avid buyers abroad would no longer support the high prices at home. Thus the price problem loomed in foreign markets as well as domestic.

Over the roar of this storm-lashed sea could be heard the "I told you so's" from OPA's staunchest defenders as they gloated over the price rises that had occurred since July 1, 1946. Strangely, none of them mentioned the second round of cost-of-living wage boosts that contributed materially to post-OPA price increases on the one hand and prevented many producers from lowering prices on the other.

Public confusion under such circumstances is not only under-

Persons looking to the return of prewar prices might as well expect the revival of the cigar store Indian, five cent beer and free lunch at the corner saloon

standable but to be expected. The man in the street couldn't quite comprehend the effect of turning loose some \$29,000,000,000 in currency. He read of the Government's huge foreign loans or relief expenditures but didn't reckon its effect when those expenditures competed with him for goods in great demand.

He was reminded pointedly of the depreciated buying power of his dollar but the same "viewers with alarm" didn't bother to remind him that corporate profits were compounded of the same dollars.

Liberal doses of politics and ideologies were mixed with economics until the befuddled George Doakes gave up trying to piece facts into a patchwork of truth. He only knew that his income didn't stretch as far as he'd like it to and somewhere, somehow, someone was getting too much for too little. He was confident, too, that, somehow, price tag numerals would shrink.

To speed the shrinking, he attempted buyers' strikes which became unpopular when it became

apparent that such strikes are directed equally against jobs, and the communities the jobs support.

The public's attitude toward price was brought out in an Elmer Roper survey which showed that an increasing number of consumers expect prices to drop in the near future. Almost half of those questioned expected prices of most articles to be lower in six months. Only a few more than ten per cent looked for higher prices and 30 per cent anticipated no appreciable change.

This sort of price expectancy has been haunting the mail order houses. Once a five-pound catalog is in the mails, it's difficult to get word to the customer that prices have been changed.

Sears Roebuck's 7,000,000 fall and winter catalogs are carrying a sort of insurance against price changes between now and the end of the year. The firm has devoted one of its best-selling pages, the back page, to assure its customers that they will receive the benefit of any lowered costs Sears may enjoy.

Psychologists may ponder the wisdom of planting seeds of price uncertainty in the catalog reader's mind almost before he or she gets into selling range. But Sears could take no unnecessary chances. After all, 7,000,000 catalogs are a lot *not* to do business through, if, when and maybe its prices are out of line.

Uncertainty in prices

PRACTICALLY everyone has a price uncertainty of some kind. One of the nation's leading apparel stores has been understocked for months because one official is frustrated in every effort he makes to buy goods by another official who reminds him: "The goods may cost less next week."

The man who holds this view is not to be censured. He's far from alone. Nearly everyone seems to think a price is too high if he is buying and quite within reason if he is selling.

One of the most indignant shoppers interviewed in a recent price poll by a New York store was a fruit grower who asserted, "Prices are out of control and way out of reach of the average person." He complained particularly of shirts that sold for \$2.50 in 1941 and now are bringing \$3.90 to \$4.95.

The fruit grower's own tripled prices didn't strike him as outrageous, although he conceded that they might be out of reach of some people.

Much of today's thinking on prices is like that. In 1941 wages in the manufacturing industries averaged slightly more than half the current rates, but no labor leader has urged a return to 1941 wage rates so that business can return to 1941 prices. Nor, this past spring, when the general level of wholesale prices was 83 per cent above that of early 1941 and farm prices had skyrocketed 150 per cent, did farmers grow nostalgic for 1941 prices, although, in the past year nearly 65 per cent of the rise in living costs could be traced to higher food prices.

The divergency of opinion on prices was illustrated by a survey made this summer by the Commerce and Industry Association of New York, Inc., that showed differences even in the proposal for voluntary, industry-wide agreements to lower prices. The survey revealed 56.4 per cent in favor and 35.9 per cent opposed.

These differences are not surprising. Some manufacturers believe their prices are low, while others' prices are excessive. *(Continued on page 91)*



Too high and reasonable depends on who's doing the business

CHARLES DUNN

At the Root of the Problem

NACOS plans national clinic to study ways to keep the local communities strong and thus to keep the nation prosperous

FLOOD CONTROL engineers have learned that preventing floods requires doing something upstream. Building dikes and dams on the main river is not enough.

To keep too much water from tumbling down all at once and overflowing into the valley, it is necessary to slow down the run-off in the headwaters area—to control the tributary streams.

In the solution of our big national questions, the same sort of thing holds true.

It is not enough merely for Congress to pass laws.

To clear up national problems, basic causes must be corrected. And in most cases, the causes lie outside of Washington; the roots are in the local communities.

Add together all the comparatively small perplexities that beset all the Main Streets of the land and you get the headline perplexities that beset Pennsylvania Avenue and the nation as a whole.

If America is to be strong and prosperous, the local communities must be kept strong and prosperous. The job must be done upstream—on the shirt-sleeve level—by the local leaders, thinkers and doers themselves, not by the national lawmakers.

Recognizing this, the National Association of Commercial Organization Secretaries—NACOS—has selected as the theme for its 33rd Annual Conference, to be held in Colorado Springs, Colo., Oct. 12-15: "Community Action in These Changing Times."

Chamber managers' meeting

If you are a member of a strong, progressive local chamber of commerce, you won't find much opportunity to see your chamber's manager during the third week of October. He will be attending this Conference.

When he returns, he will be more expert than ever before in dealing with matters pertaining to such

things as education, payrolls, government, health, public safety, rural-urban relations, fire prevention, transportation, community recreation, business-public relations.

The Conference will be a national clinic on local problems. It will deal with everything from how to improve business to ways and means of meeting increased costs in city governments.

More than 500 delegates will attend, representing city and state chambers of commerce in every state and Hawaii and Canada.

One of the features of the Conference will be a series of workshop sessions at which delegates will meet according to related population groups to study new methods and techniques to make local chamber programs more effective.

NACOS is the national association of professional chamber of commerce managers, the only organization of its kind. It is made up of more than 1,600 professional workers doing a job which every business man wants done for the good of his business, but which few business men have the time or facilities to do themselves.

NACOS is set up to enable its members to exchange ideas and experiences for their mutual benefit and to help develop individual ability for greater service. Perhaps in no other field, with the possible exception of medicine, do the members set such high professional standards for themselves, nor spend so much effort in keeping up with the latest developments.

Many of the chamber managers

who will attend the NACOS Conference will already have attended one of the six chamber of commerce institutes which were held earlier this year at Atlanta, Dallas, Minneapolis, San Francisco, New York and Chicago.

Lloyd E. Foster, general manager of the Birmingham Chamber of Commerce and chairman of the

Conference program committee, reports: "The Conference program will be streamlined. No extraneous matter. All speeches short and to the point. Plenty of time for discussion from the floor."

Hosts will be Howard N. Yates and the Colorado Springs Chamber of Commerce, of which Mr. Yates is secretary-manager. Co-hosts will be the local chambers in the Rocky Mountain States—Arizona, Colorado, Idaho, Montana, New Mexico, Nevada, Utah and Wyoming.

City will be ready

COLORADO Springs will be ready for the members of NACOS when they arrive. During the tourist season it entertains 95,000 to 100,000 visitors a day. The tourist season will be over shortly before the opening date of the Conference and the city will be free to concentrate on NACOS.

Entertainment will be abundant, real and typically western—barbecues, chuck-wagon lunches, rodeos, cowboy bands, square dances, Indian ceremonies and whatever else the Rocky Mountain folk dream up between now and Oct. 12.

Speakers will include Lester C. Hunt, governor of Wyoming and past president of the Lander, Wyo., Chamber of Commerce; Earl O. Shreve, president of the Chamber of Commerce of the United States; and George W. Welsh, mayor of Grand Rapids, Mich., and president of the United States Conference of Mayors.

Paul W. Williams, managing director of the Dayton Chamber of Commerce, will preside.

Try a

TWO MEN from Sweden have completed a tour of this country. At home they are top-notch industrialists. They know Swedish business from the bedplates. They visited the United States to find what Sweden has that we have not in labor-management relations. They found out.

"Content," they said. "That's it. The men and the managers get along in Sweden. We are friends."

During the war the Swedish Government feared that business men who had been running their own business successfully—look up a list of Swedish products if you doubt it—could not continue to do so under the strain of combat. Government had a lot of sharp little men with adding machines ready to rush into the breach and save the day. The managers and the men got together.

"Do you want Government to mix in our affairs?" is a sufficient-



Human engineering may be the answer to labor unrest

Doubt on a worker's part can cause turmoil



GEORGE LOHR

Dose of Happiness

By JOHN CARLYLE

ly accurate paraphrase of the question the managers put before the men.

"No," said the men.

There was no strike or other trouble during the war. The output of Swedish industry was prodigious.

No one was surprised by this, except perhaps the sharp little men who had been panting to take over Swedish industry and run it by the book. There have been strikes in Sweden, of course, and there will be again, and there are probably just as many fatheads on either side of the labor-management line in Sweden as in any other country.

But, the two visitors said, in Sweden the men and the managers get along together fine.

They were enormously impressed by our speed and bigness. No other country, they said, could possibly turn out the incredible total of

TWO Swedish industrialists find that our productive greatness is due to two factors. They have a third which they believe essential to capacity output

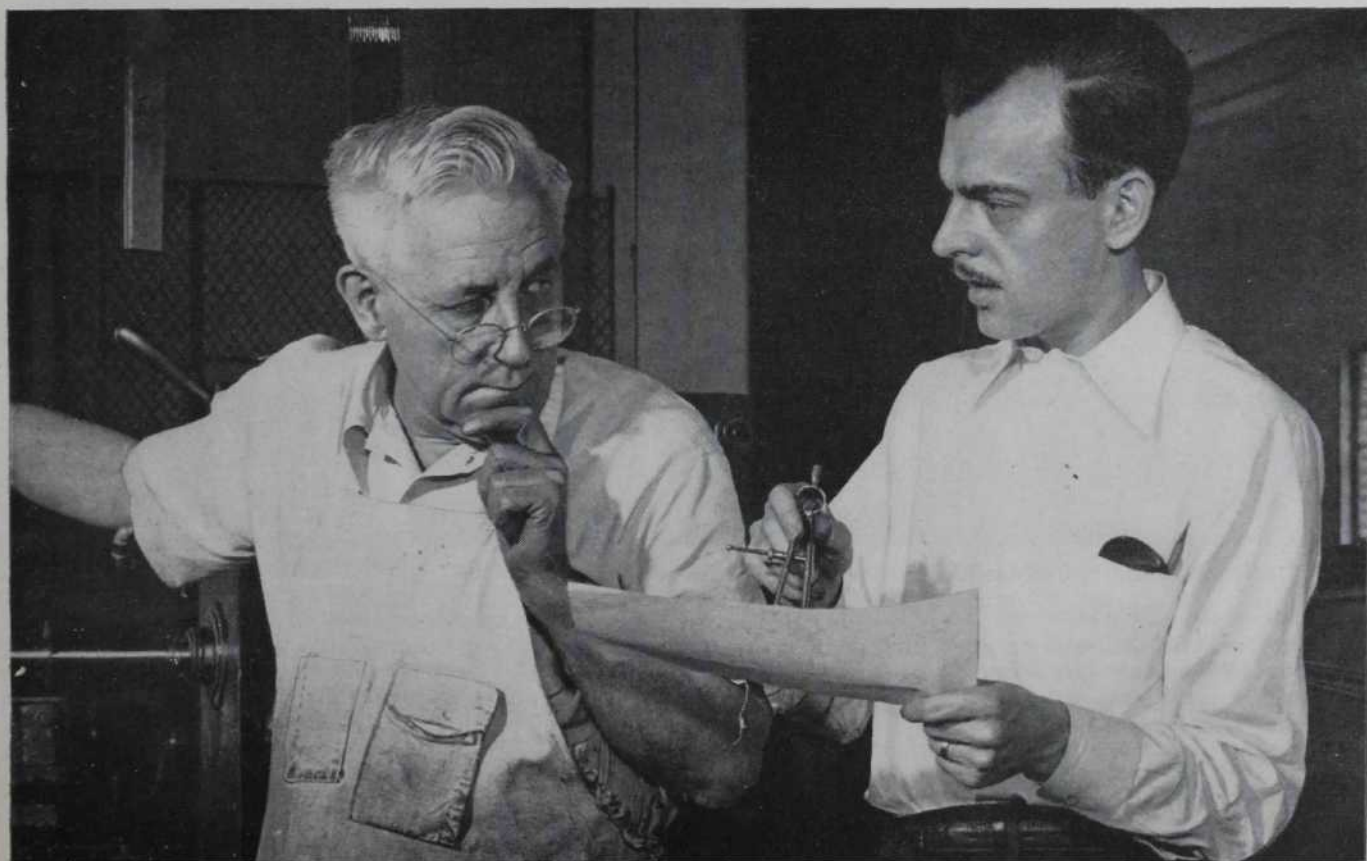
everything that we did under pressure of war. That judgment included Germany at her prewar best. It was amazing, they added, wonderful, impossible, breath-taking.

"But," they continued, "we prefer our Swedish way. If all other factors were equal, our relations with our men are so pleasant that, in any competition, we could skin you like an eel."

They did not use that unpleasant figure of speech, of course. But that is what they meant. If the American automobile industry alone, with its collateral relations, were dropped into Sweden, that

country of less than 7,000,000 people would overflow like a washtub. But the Swedish workman, according to the two spokesmen, is assured in peacetime of reasonably steady employment. He lives in pleasant quarters, is able to buy plenty of the various lip-smacking foods that are the especial glory of Sweden, and, on the whole, enjoys life.

He knows what is going on in his particular line. He is no more friendly to his management than is the American workman, but he is not unfriendly, either. Man and manager are merely on good terms. The two visitors willingly admitted



that the factors in the two countries are not identical.

"But there is something wrong with you. Something more than the perennial quarrel over wages and hours."

A new science

THE science of "Human Engineering" has been invented to deal with this situation. Perhaps it is not a science yet. Perhaps it has not yet been invented. But many men who study human relations are using the term "Human Engineering" as a kind of claim check for their bundles of operations. When the term first came into use it was apparently confined to wage-hour and similar negotiations. Some employers shared the

to factory efficiency. In too many establishments the effort was to get the most work out of the man for the least possible pay. Men were trained to use the fewest motions possible in a given operation. As a natural result, the men had no more liking for the employer than the employer had for them. One of the foremost students of labor problems says:

"There isn't a nickel's worth of difference between the human nature of the boss and the man. Both react in precisely the same way in similar situations."

Then the professors came in.

They were cold-blooded in their studies at the outset. In fact, they still are cold-blooded. The only thing they want to find is facts and the meaning of facts. Such magic

The scientists—and that classification includes innumerable employers and labor leaders—see in human engineering the one way out of the deep hole in which Americans find themselves today. They are optimists under a pull.

The term now covers the entire field of the relations between man and employer and between both and government. They are convinced that, by engineering these relations in a sensible fashion, prosperity and content can be brought to all of us.

One of the foremost leaders of labor quotes a Swiss banker in a statement of the underlying formula:

"In Switzerland we place a high value on happiness."

As a preface, it is worth while looking at the hole in which we find ourselves as some of the scientists see it.

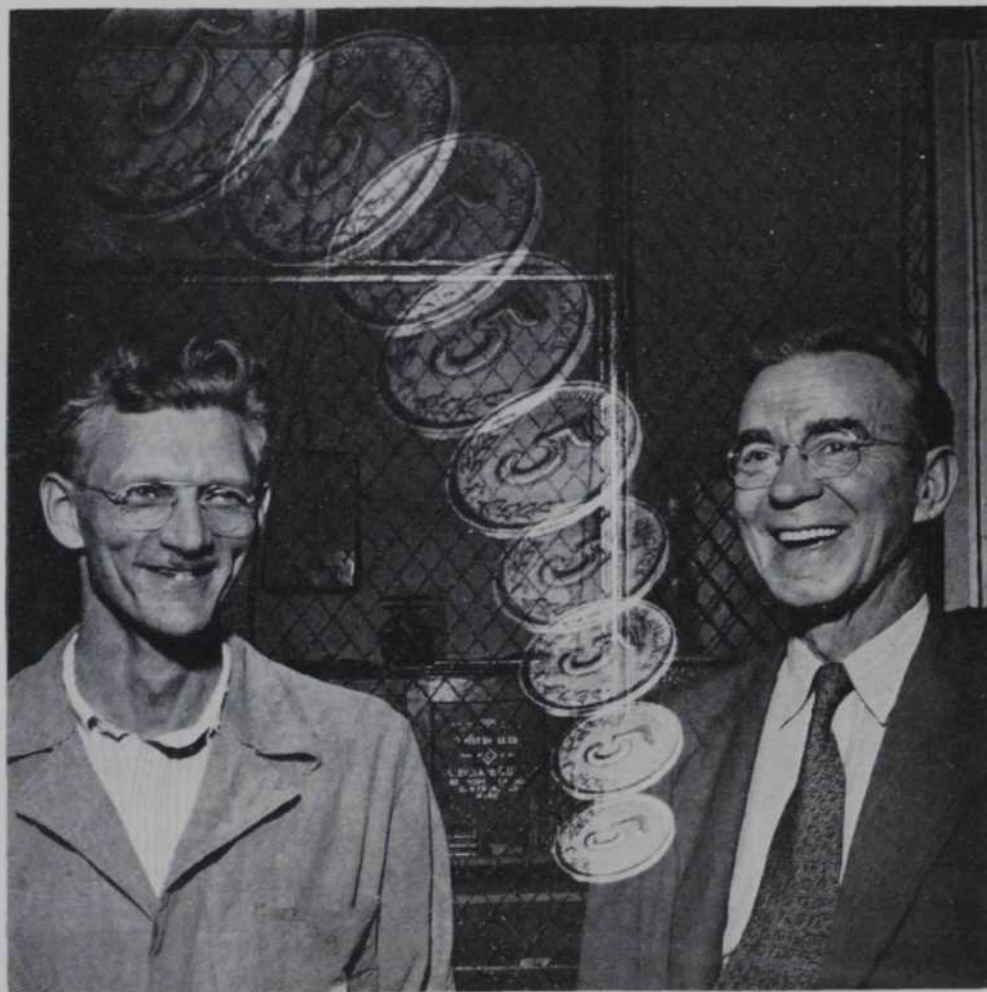
The United States owes more money than any nation ever did. If all our taxes were totted up, it is probable that we pay more *per capita* than any other nation. There is no reason at this time to anticipate much decrease in our national expenditures, the shaky state of the world being considered.

The raw resources we once thought were illimitable have been seriously reduced. The relations between management and labor are not at all satisfactory. The Department of Labor recently reported that because of strikes, 216,000,000 man-days of labor were lost from 1927 to 1941. The hole grew deeper. E. L. Bernays states that 107,475,000 man-days were lost in 1946.

"These strikes are symptomatic of a disease," he said. "They are not the cause of disruption in labor-management relations, but their result. Adjustments must be made by the use of intelligence and logic."

We are a nation of 140,000,000 people. The easiest spenders in the world. We not only produce luxuries of every sort, but we provide the world's market for the luxuries other people supply. Our women wear silk in winter and keep warm under furs. They pay \$15 for a spoonful of perfume and kick if they cannot find it in the

(Continued on page 74)



Good conditions will reflect themselves in the faces of the men

views of the Massachusetts manufacturer of 1868 quoted by Edward L. Bernays:

"I regard my work people just as I regard my machinery. When my machines get old and useless, I reject them and get new, and these people are part of my machinery."

The studies then were confined

phrases as "the American way of life" and "free enterprise" left them as cold as an iron wedge on ice.

They just wanted to find out.

Therefore human engineering has become something more than a study of money and time and costs and y profits.

Childhood Diseases,



once

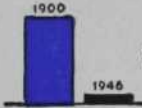
considered unavoidable, now can usually be prevented by immunization.



When they *do* occur they are apt to be far less dangerous than formerly. In one generation

medical science



has lowered the death rates from measles and whooping cough by about 80%. Diphtheria mortality is down 95%  since 1900. Few now die from scarlet fever, and smallpox is almost wiped out.

But only through constant vigilance



can

these gains be held. Recently, when diphtheria immunization was neglected in some parts of the country, cases and deaths in those sections began increasing.

It's up to you to help keep your children safe!

Have your children been immunized?

Since the first successful vaccination against smallpox in 1796, medical science has made tremendous progress toward a safer life for children. Among the more important steps in this progress have been the relatively recent development of methods to protect children against other dangerous communicable diseases through immunization.

Diphtheria immunization began to be used on a nationwide scale about 1921. Specific measures for the control of

whooping cough have achieved wide use even more recently. As for measles, there are substances which, if used after exposure to this disease, may give temporary immunity or result in a lighter case. Furthermore, injections for diphtheria, tetanus (lockjaw), and whooping cough today are often combined.

Your doctor can tell you how to guard your children's health by the latest means known to medical science, including immunization. You may also find helpful Metropolitan's free Child Health Packet 97-P... it includes informative leaflets on immunization, and on the most important communicable diseases of childhood.

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TO VETERANS—IF YOU HAVE NATIONAL SERVICE LIFE INSURANCE—KEEP IT!

They Never Said "Uncle"

(Continued from page 45)

ness runs just about as it does in the rest of the United States where, according to estimates, 98 per cent of the businesses employ fewer than 50 workers.

Also, in Winston-Salem, as elsewhere, the urge to help small business is not new. Before the Small Business and Industry Club came into existence, a previous effort to help small business men adjust themselves to rapidly changing conditions accomplished nothing except to show that, whatever others might think, small business men were not begging for help.

Some of the larger business organizations had been persuaded to establish a committee of advisers on the problems that small business faced. This was done in all good faith. However, response was almost nil. R. B. Brown, chairman of the Small Business and Industry

Club, and president of the Salem Steel Company, which employs 50 persons, explains why:

"Small business men have been suspicious of big business and of each other, usually because each is fearful of his ability or uneasy that he might expose his ignorance or be harmed."

They pick their own worries

OTHER observers noticed that although small business men had worries, they did not worry about the things the self-proclaimed experts said they did. A badly paved alley was frequently of more immediate concern than world markets, for instance. Moreover, experience had made them suspicious of most efforts except their own toward economic salvation. As one of them says now, with a smile, "I may have been going down with a

gurgle, but I was not yelling for help."

Thus, although it did not succeed as intended, the slightly Olympian approach by experts did supply useful background. Guided by what it taught them, some of the small business men, in cooperation with the chamber of commerce, decided to call an off-the-record monthly town meeting which might be developed into a business fellowship.

They appointed an executive committee of well-known small business men, and made up a roster of 207 likely candidates for the club. Anyone was eligible who employed "from one to 200 workers"—which was found to be a better way of describing eligibility than "200 or less."

This first canvass in Winston-Salem was hard work, as it would be in any town. It was sometimes difficult to get a man to concede he had a problem! There was always the lurking feeling that such an admission might be interpreted as loss of face.

But the advantages that might come from getting together under their own power proved decisive, and the Small Business and Industry Club was formally inaugurated. The crucial first meeting was held with leading city and county officials invited to hear the organized voice of little business in Winston-Salem. From the start it was determined that this was not to be another cheering section.

When the formal speeches were over, Chairman Brown introduced the question period.

"I knew what was worrying my friends out on the floor," he said. "They were thinking—'Will I be



E. J. Marshall (right) reaped new business at club meetings



Now small, the McNairs build for the future



Putting a telephone in for you ...a sample of teamwork by these two >>

Installing *one* telephone is a fairly simple job.

But making it possible for the Bell System to install telephones at a rate averaging 25 a minute every working day, calls for a lot of skillful teamwork by Western Electric—supply member of the Bell Telephone team.

Western Electric manufactures the telephones, wire and other equipment—

buys the installers' supplies and tools—delivers all these things where and when needed throughout the nation.

That's just a *small* sample of teamwork by Western Electric.

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supplies.



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of telephone
central office
equipment.



Western Electric

A UNIT OF THE BELL



SYSTEM SINCE 1882

saying something worth while? Will I make a monkey of myself?"

However, after some reluctance, first one, then another, rose to put questions about licensing, local taxes, police regulations. As the officials replied, with patience and with respect, hesitation gave way and shy business men found themselves talking aloud about their problems.

The first meeting demonstrated that, by getting together with others in the same boat, small business men were not sacrificing independence but, rather, engaging in a frank and useful interchange of ideas. They discovered that they



President Erick Davidson and H. C. Warner of the Davidson Engineering Co. see real advantages in the club's setup



Mrs. R. F. Foltz bakes cookies in her own backyard ovens

are not against each other but can learn from each other.

Tom Whitlock of the Sapho Chemical Co., which makes hair tonic, describes the changed attitude like this:

"Well, sir, I felt like the smallest fellow in the world. I was worried, hurried, and anxious. But then I found that other fellows, a little bigger than I, maybe, were just as perplexed. What I wanted to know was: Should I sell my stuff now or wait? The advice I got was to go ahead, bottle and sell. I wouldn't have known that without the club."

The first time Whitlock, who used to barber more actively than he does now, walked into a club meeting, he heard one of the men say, "I declare, what's old Whitlock doing here? I didn't know he was a business man."

Although their neighbors accepted them as business men, others found that was about as far as

the knowledge went. E. J. Marshall, slow-speaking senior member of the Marshall and Futrell Furniture Co., for instance, attended a meeting and learned something about the value of corporate organization as against a partnership. While he was there, club members learned that he was doing some special cabinet work for the Western Electric Company, newly arrived in Winston-Salem. Thereupon, the Davidson Engineering Company engaged Marshall and Futrell to do some of its work as well. Other members, too, found that many of their needs could be met without going afield. As a result, the business bloodstream of the community has been invigorated.

Guy Ward, Jr., of the Rawls Delicious Food Company, a member of the program committee, sees another advantage: "We believe that the basis of sound economic

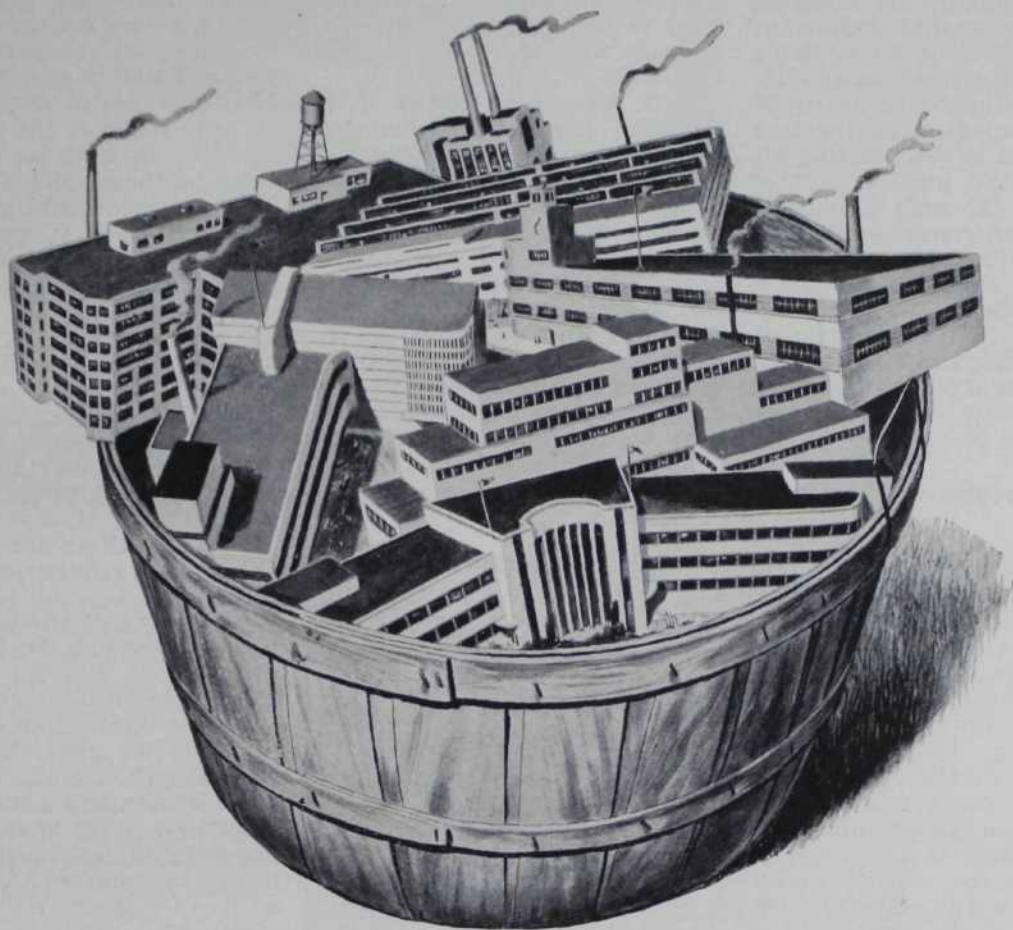
growth of the community comes from within it. Developing small industries is, to my mind, better than bringing in another big one. Better have ten or 12 diversified small businesses than another big one."

The club has been taking up practical problems and helping find solutions. When income tax time came around, the club decided that it would be useful to find out in some detail how to handle matters which larger businesses had their staff experts hammer out for them. Harry Krusz, general manager of the local chamber of commerce, arranged a panel of accountants and lawyers. Gathered around a table, they proceeded to lay out solutions to income tax problems.

Useful information

WHEN purchasing problems came up, R. C. Haberkern, vice president in charge of purchasing for the Reynolds Tobacco Company, was invited. For two hours the small business men fired bread-and-butter questions at him.

The club also is investigating a concrete program of integrated purchasing. For example, there are about 28 sheet metal consuming plants in Winston-Salem. Each buys a comparatively small amount of steel from a warehouse source at a price considerably higher than if the purchases were in larger quantities. To improve the situa-



A Bumper Crop in the South

All the forecasts indicate that the South again will harvest a "bumper crop" of new industries this year. But there's nothing strange and unusual about this!

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Why not "plant" your factory in this industrial garden spot . . . where it will flourish and thrive . . . and where you will harvest a bumper crop of new and greater opportunities?

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Ernest E. Harris
President



SOUTHERN RAILWAY SYSTEM

The Southern Serves the South

tion, plans are now afoot to pool orders, and to buy cooperatively, at a saving.

These activities, in the view of Emil Shaffner, head of the Briggs-Shaffner Company, are breaking down the opinion that chamber of commerce activity is geared to big business. Shaffner, second generation in a business now nearly 50 years old, helped set up the club while engaged in reconverting his plant from the manufacture of bazookas to the only aluminum anodizing plant north of Atlanta and south of Philadelphia.

"Now," he says, "people know what's going on in our town."

This type of enthusiasm is not centered in one or two individuals. The same note of pleasant surprise recurs in almost every conversation about the club.

Cooperation and more cookies

EIGHT miles out on Robin Hood Road Extension, Mrs. R. F. Foltz has her home and her kitchen, built in the backyard, where she makes Moravian cookies. Four women bustle around the ovens, turning out the goodies which, begun as a Winston-Salem specialty, had a large sale to GI's overseas. Now the business has to meet a demand that is spreading over many states. Two years ago, on the death of her husband, Mrs. Foltz took over the business. She faithfully attends club meetings and beamed with delight as she described the satisfaction of participating with fellow business men in talk on common problems. At one of the meetings she remarked that if she only had somebody on the road to sell her cookies, it would expand her business to the limit of her ovens. Someone knew of such a salesman. He is now selling Mrs. Foltz' Moravian cookies as an additional line of goods.

In this way the little fellows have put out their antennae into the community through the Small Business and Industry Club. They are doing a selling job on the people in the city of Winston-Salem as well as on each other. They do not take each other for granted. There are local advantages that may be exploited to the profit of all concerned. Moreover, they no longer have to fret alone. If there is any fretting to be done, they have in their organization a medium of communication.

Today, with improved understanding, a plan something like the advisory setup that bogged down when originally tried is functioning. An advisory committee

composed of top men in the engineering, accounting and purchasing departments of the city's larger enterprises has been established. Now a small business man does not have to seek the experts. They come to him and in an informal, friendly way, talk over common problems.

H. C. Warner, an official of the Davidson Engineering Company, sees real advantages in this arrangement.

"A small business," said Mr. Warner, "does not require technical information in such volume as to have to hire the experts who can make it instantly available. The things that worry you are the things on top of you. We get preventive medicine as well as advice on how to cure what ails us. We have organized a small business clinic."



"There's no use in exaggerating the value of what we have got out of the group's meetings so far," he continued. "The wonderful thing about it is that we have already been saving money by participating. And to a small business man, it's awfully important to collect the pie now. We can't live on slogans."

Jim McNair, who, with his wife Bonna, runs McNair's Frozen Food Center, a combination deep-freeze locker and store, also likes the information setup.

McNair comes from Paterson, N. J., via a war industry job that folded after V-E Day. With his own hands he built a deep-freeze locker from specifications provided by the Department of Agriculture. Bonna, a home economist, baked rolls and pies which, when frozen, "sold like hot cakes."

They look forward to a two-year education program on frozen foods

for the community. "It is not profit now; but present service, cheerfully rendered, that will bring profitable business."

About the club, McNair says:

"We don't feel isolated, even though we are mighty small potatoes, for two reasons: We get a whale of a lot of service out of our local chamber of commerce. And we have access to the big business elements in town as well as the small business units. Through the Small Business and Industry Club, Winston-Salem is developing a middle group which is bridging the gap between the business elements in the community."

Helping a city's industry

THROUGH this group, Winston-Salem has developed a technique of enlightened self-interest which contributes vitality to the city's industrial life. It may provide a profitable pattern for small business groups in other communities as well.

For early fall, the club is planning the first Industry Exhibit ever to be held in Winston-Salem. One of the committee members said:

"There will be a lot of surprises for the folks when they come to the exhibition hall. People will know something's going on in this town they never knew about. We are going to have special buses to bring the children. Admission will be free for them. We'll make the grown-ups pay and they'll get their money's worth."

All this, according to Mr. Brown, has been hard work but worth while.

"By getting together," he says, "we're using the facilities of the chamber of commerce here to keep the little fellows from being ridden down. I believe that small business men preserve the essential American character. We may not always be efficient, but we small business men have something this country needs. Small business is intimately identified with the community, the whole community rather than a segment. We decentralize industrial responsibility. Remember this, you do not solve the problems of the little business man on a national scale, but on a local level. Through this club we are speeding up the tempo of civic usefulness as well as making practical gains for ourselves. The small business man is introducing himself to the community and to his fellow business men. We've got more than a third in now. We expect to get the majority by autumn."



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"Rebellious Liquors in



A tiff set a man to drinking,
yet he was not an alcoholic

FROM temperance society exhortations, alcoholism would seem to be as contagious as smallpox. Actually, any imbibers' statistical chances of becoming a chronic alcoholic are but three in 200, and this only because, among every 200 drinkers, there are three who insist on drowning their mental disease, mental deficiency, neuroses or frustrations in alcohol.

This is not to underrate alcoholism. It is a serious disease for the nation's 750,000 chronic alcoholics. It is a serious threat to 3,000,000 other excessive drinkers. But it is time a good word was said for the remaining 58,250,000 Americans who drink moderately. Yale University, which originated the movement for treating alcoholism in public clinics as a disease instead of a sin, has ascertained scientifically that these 58,250,000 can use alcohol with safety and sometimes even benefit.

But don't order another case on that! Instead, know the facts about alcohol as Yale has discovered them through research in sociology, religion, psychiatry, anthropology, psychology, physiology, medicine and social welfare—then govern yourself accordingly, because men and women already on the highroad to alcoholism too often imagine they are moderate drinkers.

There never was a shortage of willing martyrs to science at Yale. Both outsiders and staffers have lined up at weird cocktail parties

and have had whisky poured down their throats. This was done while the professors manipulated Rube Goldbergian devices to record reactions and learn that it isn't the amount of alcohol consumed that counts, but the percentage showing afterward in the blood; that, although alcohol is absorbed directly from the stomach and intestines into the bloodstream and then carried through the brain until burned by the liver as energy or eliminated in the breath or urine, there are a lot of variables in its effect.

Absorption is slowed and the kick lightened by food in the stomach or cereals in the drink, as with beer. Inversely, carbonated mixtures are absorbed faster. The speed with which the liver burns alcohol depends on the individual and the drink (various distilled spirits show differences); thus the lasting power of the kick varies.

To relieve Mrs. Jones who wonders if her out-size husband will end up in a drunkard's grave because he drinks two highballs to Mr. Smith's one at their bridge parties, it should be pointed out that, because he has more blood, it requires more liquor to put a significant concentration of alco-

hol in his veins. When the professors fed four ounces of whisky each to two men two hours after their dinners, the 130 pounder came up with a .04 per cent alcoholic concentration in his blood while his 213 pound companion was only one half that far along. Yet, the susceptibility of persons having identical concentrations will vary.

Nevertheless, experiments have convinced the experts that, while everyone is sober with less than .05 per cent of alcohol in his blood (two and a third ounces of whisky on the empty stomach of an average 150 pound man) and some may be tipsy at .10, everybody suffers some impairment at .15 though he may not show it. The drinker becomes deeply intoxicated at .2 to .3, passes out at .4, when the alcohol completely depresses that part of his brain governing consciousness, and dies at .5 to .9 when it paralyzes the centers which control his breathing.

they are capable. A lawyer I know does better before the jury if he takes a drink. He could do still better were it possible to get rid otherwise of his inhibitions.

For most people even small amounts of alcohol impair efficiency during working hours, as the experiments prove, and although one motorist can drive safely with enough liquor in him to put another atop a lamp post, the Yale experts caution every man to avoid the steering wheel for at least an hour after taking two ounces of whisky and two hours after four ounces, then to add an hour for each additional ounce.

However, when duties are out of the way, alcohol ceases to be a horror story. The experts do not feel that *well motivated*, moderate drinking under such circumstances is a bad habit. They contend that, in relaxing tension, it must fulfill a psychological need, because man has drunk since the beginning of history.



The loud-voiced, assertive type is made bolder by his liquor

Moreover, there is no ill physiological or psychological effect from years of such drinking, whether it involves beer, bonded whisky or blends. Only admonition is that, whatever you drink, dilute it. There

My Blood"

By CHARLES STEVENSON

Such a death is a feat. It means gulping so quickly that approaching unconsciousness cannot halt the attempt to get down—and hold down—enough liquor to enable the blood to absorb the equivalent of a quart or more of the strongest whisky at one brief sitting.

However, in tests, it has been found all functions take place at lower efficiency even after the smallest dose. For instance, if you feel less tired after drinking, you simply are benumbed. Actually, your muscular output drops. On two ounces of whisky, the average Yale subject's errors in reasoning jumped 20 per cent; on a half-pint, 67 per cent. No matter how you may insist liquor stimulates you, it does not. The shock of straight whisky on the throat is its only stimulating effect, and this is no more lasting than the identical shock from smelling salts.

Alcohol is related chemically to ether. Its effect is the same, acting first by deadening the nerves at the top of the brain to relieve physical and mental tension. If some people seem clearer-headed after a drink, this is only because they are so tense and self-conscious that, without a sedative, they are inhibited from doing that of which



Yale, in its study of alcoholism, found many willing to be martyrs

is little irritation in mixtures containing less than 15 or 20 per cent alcohol; the least to expect from straight whisky over a long period is ruined vocal cords.

More important, there is nothing to the old belief that the more you drink the more you must drink to obtain the same degree of relaxation. Unlike the morphine addict, who at the outset might be killed by one grain and yet in time requires ten to feel like living, the drinker develops no tolerance for alcohol. He will need no more to relieve his tensions as time goes on, unless his tensions increase. True, the souse may not act drunk, but this merely is because he has learned the sensation to expect and compensates for it.

That certainly is at variance with the old preachment that an habitual one drink must lead to four, but these variances are typical of the Yale findings. For instance, the annual economic loss, according to Yale, is \$778,903,000—a lot, but scarcely a twentieth of what the drys claim. Alcohol does not dehydrate, bring on ulcers, cause hardening of the arteries or deterioration of the brain cells.

Alcohol can help

MANY heart specialists recommend alcohol. Dr. Robert S. Berghoff, retiring as president of the Illinois State Medical Society, declared that, although he advises his patients to forego poker and smoking, a couple of drinks a day won't harm a person who has suffered coronary thrombosis. Alcohol actually is helpful because it dilates the coronary arteries.

As Dr. Howard W. Haggard, director of Yale's Laboratory of Applied Physiology, says, moderate amounts may aid digestion, although an excess will halt it.

"It is for people past middle age one of the safest sedatives," he adds. "Alcohol increases the size of the blood vessels on the surface of the body, makes the skin appear red and warm. Many elderly people get much comfort from a small amount of alcohol; it relieves the aches, pains and chilliness of age, lessens the tensions and irritations and increases the appetite. Alcohol does not greatly affect normal blood pressure, but it does prevent

the pressure from rising in worry, anxiety and mental concentration. Alcohol certainly should not be taken to stimulate thought, but it might to relieve the rise of pressure from worry."

And Father A. J. Murphy, director of the Catholic Charities Bureau, Cleveland, a visiting lecturer at Yale, contends that "moderation in the use of drink is probably a higher state of perfection and indicates a more reasonable, rational and generally well organized emotional system, than is the case of the man who never touches a drop."

However, any person who has reached the point where he wonders if he should discipline his drinking habits may be in the danger zone of excessive drinking. It is a confusing area, too, full of sophistry and propaganda.

Into one of the Yale clinics hurried a distressed husband to be treated for alcoholism. He had got drunk after a family squabble and had been evicted from his in-laws' home. Then there was a court action. The doctors gave him the works—first a medical examina-

of those referred for diagnostic study, were found not to be compulsive drinkers or habitual inebriates; nor did they belong in any recognized class of 'alcoholics.' It is apparent that the label, 'alcoholic,' frequently is misapplied."

Drinking from habit

THIS is true. Zealots tend to regard every man who takes a couple of drinks daily as an addict. He may fear he is because his regular 5 p.m. drink may have established such a habit pattern that he definitely *wants* a drink at that time. Habit does not necessarily imply addiction. Some genuinely heavy drinkers may be endangering their health, but are not yet addicts. On the other hand, a man may be a problem drinker though he limits himself to an ounce every other day.

What then is a problem drinker? How can a man know? What counts is motivation.

Let's look a moment at an average sample of 100 alcoholics. Forty are persons whose drinking is simply a symptom of underlying mental disorder: alcohol cannot be blamed for their epilepsy, dementia praecox or manic-depressive psychosis. Ten are emotionally and mentally immature persons who turn to alcohol as a fortification against their own degeneration. Twenty are neurotics. Thirty are those who, starting as apparently well-integrated social drinkers, pamper their frustrations with alcohol until they can't face life except through a whisky haze.

Rule out the mental misfits who are really not an alcohol problem and it still does not suffice for an average drinker to insist it is impossible for him to become one of the others just because he is not yet fighting booze. Whether the incipient alcoholic's traits develop depends on

the pressures to which he is subjected and on the social acceptance of heavy drinking by his circle.

Thus, the man with a tendency to build up tensions and release them in occasional binges may never become an alcoholic in a quiet pursuit as a teacher of journalism. As an editor of a metropolitan newspaper with seven deadlines a day, he would create great tensions which he could re-



He relieved his great tensions by leaping onto his desk and yelling out like Tarzan

tion; then the psychiatrist took over; then study. The verdict was to this effect: "Mister, you shouldn't get drunk. But you aren't an alcoholic. It's just that your wife's people are prohibitionists."

In analyzing the first six months of the clinics' experiences, Dr. E. M. Jellinek, director of the Yale Summer School of Alcohol Studies, declares:

"Five patients, fully 12 per cent

lieve by bawling out the copy boy, by leaping onto his desk and giving out with a Tarzan yell, as one man did, or by hurrying over to Joe's Place for a few quick snorts. In the last case he may become an alcoholic.

Frustrations again offer a fertile field for the alcoholic personality. One man may seek escape simply from the fact that he lacks energy to achieve his ambitions. Another with the same underlying characteristic will break out in drink only because he can't get a job. The reason for drinking may lie in childhood psychological experiences the drinker thinks he has forgotten.

Some types are not addicts

OTHER research envisions a connection between alcoholism and physical types. The flat-chested, thin, restrained person full of youthful intentness, inhibited social reactions and resistance to routine habits, is a poor nominee for alcoholism. He dislikes dizziness. Excessive drinking increases his sense of strain and often nauseates him. No one whose stomach revolts is set for alcoholism. The little man with a paunch and undeveloped muscles is a poor prospect, too, because alcohol merely adds to the pleasure he finds in food, affection and good will. But the loud-voiced, big-boned, assertive type who wants action when troubled is in a more dangerous position because he wants to act the he-man, and alcohol enables him to have his wish.

People do not inherit alcoholism, but they may inherit mental and personality difficulties, causing them to seek alcoholic relief. For these reasons—and more because of the added curse of quirks arising from their environment—20 to 30 per cent of the children reared in alcoholic households normally exhibit a tendency toward alcoholism.

I know of one man who makes a daily appointment for 2 p.m. lest he remain too long in the bar where he eats lunch. Another hurries to gulp two drinks at noon, at 5 p.m. two more. But a woman being treated in a Connecticut sanitarium insists she is not an alcoholic because she never starts a bottle before 11 a.m. It isn't enough for a drinker to contend he is not alcoholic because his drinking is controlled.

The will power to stop drinking for a time is no measure either. Many a drunk stays away from liquor long enough to convince himself he can safely resume

drinking because he can stop whenever he desires.

There are tests, though, which will help a man analyze his drinking habits. Can you, for instance, enjoy a party only if there is liquor to release your social instincts? Do you long for the time of day when you can drink without hurting your job? Do you consider drink necessary to relaxation and enjoyment of life? Do you turn reflexively to alcohol each day to overcome anxiety, disgust, fatigue or frustration? Do you tend to drink to offset difficulties with your wife, your boss, your children or employees? Is the goal of your drinking something other than the drink itself? If the answer in any case is yes, says Dr. Abraham Myerson of Boston, one of the nation's leading psychiatrists, you are an alcohol dependent and in peril.

In a nutshell, simply ask yourself: "Do I need this drink?" If the answer is yes, don't take it, because the problem drinker is the person who drinks, not because he enjoys it, not because he wants to, but because he feels he needs it. He is drinking to escape. Not that he craves alcohol specifically; he never does. But he is developing a genuine craving for anesthesia, which alcohol supplies.

Fortunately, only about one out of four excessive drinkers reaches the end of the line. But there are a lot of shabby way stations. The end simply means illness.

Results of alcoholism

IT usually takes ten years to develop chronic alcoholism. Along with it may be irritation of the throat and digestive system, resulting in alcoholic gastritis and improper assimilation of food. There may be liver trouble. But most of the ills result from dietary deficiency, because, in addition to being a sedative, alcohol also is a food which in excessive amounts eliminates hunger. Moreover, it contains no vitamins, only calories—200 to the ounce. So, even if the daily drinker of a pint of whisky eats more vitamin food instead of less, the ratio of his vitamin intake to his total caloric diet is so curtailed that his malnutrition may bring on anything from beriberi to pellagra.

But, says Dr. Norman Jolliffe, associate professor of medicine at New York University who has lectured at Yale: "All sweetened, carbonated beverages can be just as serious nutritional offenders if used in equal excess, since sugar

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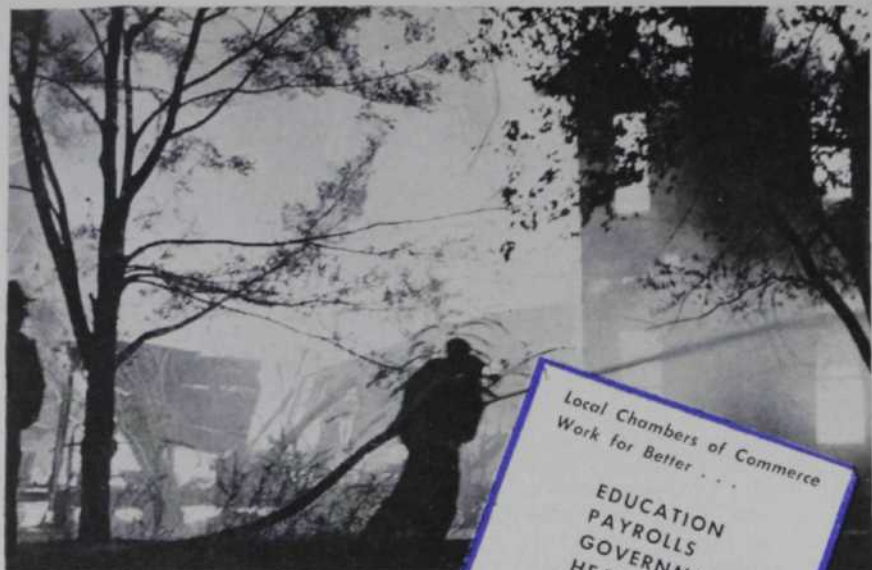
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▶▶ NO MATTER how good your local chamber officials are, they can't do their most effective work without your help. Ask them what you can do. Then if you want to dig deeper into the possibilities of chamber work, read, "Local Chambers, Their Origin and Purpose." Write us for a free copy.

**Chamber of Commerce of the
United States of America
WASHINGTON 6 • DC**



also contains nothing but calories and uses the vitamins in the body to oxidize it. Anyone who drinks 20 soft drinks a day is nutritionally in about the same situation as one who drinks a pint of whisky."

A pint, incidentally, is about the limit the average liver can handle, and many a drinker has developed cirrhosis of the liver on half that.

Though persons less than 30 years old rarely can be cured of alcoholism, upwards of 60 out of 100 can be helped in middle age. The Yale clinics achieve 81.5 per cent successes at a cost of \$60 to \$100 whenever the patients are married and in skilled occupations. Alcoholics Anonymous sometimes is regarded as having more success than any agency, although it does not suffice for all.

Nagging is no cure

NOBODY, though, ever was cured by nagging, a fact which some bosses and wives never comprehend. Occasionally the successful treatment involves psychological conditioning not so much of the drunken husband but of his nagging wife. One of the leaders in the modern movement for therapeutic treatment was an alcoholic himself, an educator who sank so low he was hitting the glory trail in slum missions to get a bed at night. He was able to begin beating his way back only because the boss who finally took a chance on him as a package wrapper was an understanding soul.

Nobody ever was frightened into sobriety, either. One addict conceived the idea of looking over the morning crop of alcoholic corpses at the Bellevue Hospital morgue in New York. Invariably he had to buy a drink by noon to blanket out the memory.

No remedy is successful which does not seek out the underlying psychological reasons which prompt the drinking. In a surprising number of cases, the elimination of them alone will cure alcoholism.

One woman's problem was traced to a mother-in-law allergy and cured by eliminating the latter (by fair means). A woman who went to bed nightly with a fresh quart was able to stop immediately when her inability to sleep was traced to arthritis. A teacher who began drinking for a 3 p.m. lift and then hit the bottle because this drink made her so fatigued that she needed more was cured by temporarily substituting benzedrine. A milkman's tippling was traced to fear of high steps which

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he climbed during deliveries. Another's was found to stem from a fear of getting into a barber's chair without alcoholic courage.

When combined with psychotherapy, one of the surest cures is still that in which a man is hospitalized, then daily given a stiff drink, perhaps amid all the accoutrements of the tavern, just as an emetive hypodermic is about to make him violently ill for a ten-minute stretch. The idea is that after a few days the patient automatically will associate the sight, odor and thought of liquor with nausea. This is deemed necessary because once an alcoholic, no man ever can be taught to drink moderately. He must become a teetotaler or else.

Sometimes, though, this has dire consequences. When one of the patients of Dr. Robert Fleming of Harvard came up weak and pale after an especially rigorous aversion conditioning treatment, he wanly lifted his head.

"Doctor," he said, "what I would rather have more than anything else is a double chocolate ice cream soda."

And sure enough, for a while that drunk became a double chocolate ice cream soda addict.

Don't drink if you need it

SO there is the not so horrible truth about alcohol. Moral: Watch your motives. Drink moderately. If you feel you *need* that drink, don't take it, because if you habitually drink excessively, no matter for what reason, you finally will be drinking to escape the woe caused by your drinking. There is no recorded instance of an alcoholic without a personal problem which caused him to drink. However, alcohol in sufficient quantities supplies its own problem.

How much can a man drink and still avoid trouble? The scientists just do not have the answer. Every man must figure it out for himself, with due regard, of course, for his own characteristics as they may have been mentioned here, for his motives, and for the physiological effects of a long-time pint-a-day diet. Dr. Fleming in a lecture at Yale brought this home one day.

"I recently heard," he said, "of a man who died at the age of 93, having drunk a quart of Scotch every day for the last 60 years of his life. During this time he successfully managed an important business. I do not think he was an addictive drinker, but I do think he would have become one if he had lived another ten years."

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Good Ships are Good Salesmen

(Continued from page 38)

carried through at its own expense. The line offered to sound out local market experts on the suitability of labels and packaging, arrange for distribution and finally locate an exchange product to by-pass a severe dollar shortage.

Another ship company has touched off a display advertising campaign in the newspapers of 35 foreign countries. Still another is keeping under the hatch one of the neater deals that wraps up in a single package a strategic requirement of this country, a steady return cargo for itself, and a foreign nation's need for dollars for purchases here. The line hired two geologists and assigned them to track down ore deposits essential to the U. S. but not found here. It took two years, but the scientists succeeded.

Better ships get the trade

HOWEVER, there's a catch here of real concern to U. S. business. The ship lines can do a lot more trade promotion—but only if they have ships of the right type. The reason why is a matter of record:

Passengers and freight ride the better ships.

To illustrate, in 1938 a comparatively new U. S. liner averaged nearly half full outward bound and three-quarters inbound—fat figures! An older, slower U. S. liner, over the same route at the same time, was a little more than a quarter full going out, and one-third plus on return voyages. And it's not a matter of flag. A pair of British competitors—one old, one new—showed an identical relationship. For the new liner, 55 per cent out and 61 in; the old, 39 per cent and 43. On the tabulation sheets which show each vessel's record, it is easy to pick out the new ships. Run a finger down the column which shows the percentage of capacity carried. In every instance, the full ships are the new ones.

The same applies to freight. For scheduled service, cargo rates are set by route conference. To ship by ALCOA's new 96 passenger-cargo combination *Corsair*, or a rusted crate in her maritime dotage, costs the same. The *Corsair* has the latest machinery for handling cargo safely and speedily. En route, the temperature and humidity of the holds are mechanically controlled.

The cargo rides at 18 knots. Which would a shipper pick? The *Corsair* or her aged, 11 knot competitor?

The operator of the newer and more efficient ships will show a profit. The poorly equipped competitor will get the leavings. A logical corollary—an inadequately equipped line will be devoting most of its energies to staying afloat and will have little to spare for pioneering new markets. And why should it, if it loses the resulting freight as soon as a better-equipped competitor enters the service?

In many respects the world shipping situation looks promising to steamship men. The small fraction of the Jap fleet still afloat is being parceled out—with the Nips left only an essential minimum for coastal and island runs. Only skeletons of the Italian and German merchant fleets remain.

There is a boom in travel. Six war years piled up a demand to go somewhere unrivaled even in the salad days of the terrific '20's. A short while ago, a New York travel agent said he could book 15,000 cruise passages within 48 hours—were the accommodations available.

A rich future for trade

THE job of reconstructing blasted areas of Europe and the Far East is still ahead. This country figures as an important supplier of materials and machinery. And just over the horizon is a vast and undeveloped demand, born of the war, for American products. The armed services, in a dozen regions, introduced whole populations to fountain pens, bulldozers, cigarette lighters, trucks, zippers, ice machines, portable radios and foods.

All told, it's a prospect with a rich potential.

How are we equipped to exploit it?

The shipping difficulties are glaringly simple. J. Lewis Luckenbach of the American Bureau of Shipping summed up:

"We emerged from the war with a tremendous deficit in all classes of passenger-carrying vessels."

The Postwar Planning Committee reported to the Maritime Commission that the lack of passenger liners was "the most serious one with which we are faced." In the secondary passenger carriers—the new and slick combinations—the Commission and industry agree

that we have about half what we need.

The particulars may surprise the landlubber who has been hearing of the \$17,000,000,000 war fleet of 5,500 ships. There is one lone passenger liner in foreign service—the *America*—which the Coast Guard judges fit for the high seas, and, when every passenger vessel now in the yards, either being built or converted, is finished, we will have, at most, 16.

Short in passenger liners

THE Maritime Commission has decided that this is 12 under minimum needs. The situation on three important routes is not untypical. American President Lines is building two 23,000 ton "President" ships of 550 passenger capacity for the Pacific-Asiatic run—bringing the total there to three. The Maritime Commission believes we need five. On the route to the Baltic, there are no liners at all. The Commission wants three. We have no passenger ships earmarked for the Mediterranean service. There, the Commission sees use for two liners to fill the gap left by the *Conte de Savoia* and the *Rex*—and three big, moderately fast combinations to back them up.

The age of the passenger ships we do have worsens matters. The survivors of the war, now being refitted, are veterans of prewar service, plus four hard-driven years as troop ships. The *Matsonia* and the *Washington*, for example, face lay-up because it is doubtful that the life left to them would repay conversion costs. The Maritime Commission wants Moore-McCormack's American Republics trio replaced in 1952.

In the combinations, age is not a factor. The design is of comparatively recent vintage. But here again is a shortage the extent of which is indicated by bids already made by private operators. American President Lines has applied for five. American Export is waiting for a green light to start building four for the Mediterranean. Moore-Mac is reported to have expressed interest in at least two for the Scantic route. Mississippi Steamship is said to want another to add to the three it already has.

From a shipping point of view, the short supply of passenger types is particularly galling because it is a difficulty easily remedied.

Yet, in spite of all this, the present fleet is the best we've had in 100 years. We have plenty of fast, efficient cargo ships. Ton for ton, the "C's" and the Victories carry a

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New York life insurance actuaries, assembled the records of all trucks of the five sales leaders registered from 1933 through 1941 . . . 4,967,000 trucks in all. Then they prepared truck life-expectancy tables in exactly the same way that they prepare life-expectancy tables for humans.

The result? Up to 19.6% longer life-expectancy for Ford Trucks—up to almost a fifth longer than the four

other leading makes of motor trucks!

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Let your Ford Dealer show you his truck life-expectancy chart. See Ford's long-life features. You'll see for yourself why it pays to order a Ford—the truck that lasts longer!

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Figure it out for yourself. Obviously, the truck that can haul for you longer than other makes is the truck that can do the job better, more economically, more reliably. Ford Trucks last up to 19.6% longer than the other four sales leaders. That means Ford Trucks stay on the job longer! Yes, any way you look at it, you'll get more truck for your money with a Ford Truck . . . because Ford Trucks last longer!

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The life-expectancy of a Ford Truck is:

- 13.1% longer than that of truck "B"
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Based on the application of sound and accepted actuarial methods to the actual experience as measured by truck registrations, we hereby certify that, in our opinion, the accompanying table fairly presents the relative life-expectancy of the trucks involved.

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third more cargo than their pre-war prototypes and are, on the average, five knots faster. One of the "C" types weighed anchor from an Indian port 30 days after an older freighter had sailed. The two ships arrived in New York harbor within 15 minutes of each other. Matson, because of better ships, is able to lop 13 days off what used to be a 30 day run to the east coast—and do the work of five ships with four. The tanker fleet is 25 per cent more efficient than that of the '30's.

Freight and passengers

THERE are other bright spots. A few days ago, a sleek ship put out of New Orleans and set a southeasterly course across the Gulf. She was Mississippi Steamship's *Del Norte*—not only a new hull but representative of an ingenious and promising development in marine design. Aboard her, in quarters a match for those on any luxury liner, were some 120 travelers. Below her aluminum superstructure which encased the passenger spaces was stowed a payload of thousands of tons.

Freighters have carried passengers for years. But beyond this similarity, the old-timers and the *Del Norte* (and her sisters, her cousins in design—ALCOA's trio, Grace's *Santas*, and A.P.L.'s *Presidents Monroe* and *Polk*) are not related. The oldsters offered passengers an 11 knot ride, with quarters and service that were definitely salty. The new designs are air conditioned in both passenger and freight spaces. They cruise at 19 knots. The cabins are smartly decorated. The latest mechanics in handling, loading and humidity control in the holds give the cargo "luxury" treatment.

For moderately trafficked runs particularly, these ships are tailor-made. Where a 600 to a 1,000 cabin liner would starve at 25 per cent capacity, the combinations have little trouble filling their passenger list. ALCOA's *Clipper* and her two sisters can lift 85 per cent of the cargo tonnage that would have been possible had they been built entirely for freight. The others can handle up to 75 per cent. Thus, to be "full and down"—which means a capacity load and a profitable voyage—these ships need fewer passengers than a liner, less cargo than a freighter. Many shipping men feel that, on certain important routes, the combinations will solve some problems. Passengers confirm this opinion.

Finally, without important exception, the steamship companies

are in better financial shape than ever before. Some of them, Matson, Grace and United Fruit, will be set to go—ships and all—as soon as their conversion programs are completed. Others see a chance to step out of their role of misunderstood and inarticulate stepchildren in the family of U.S. industry—if they can get the ships.

Actually, with a little planning and a comparatively modest expenditure for the required passenger types, the essential balance can be restored to the fleet. Why we haven't got them now—after spending \$17,000,000,000 on ships during the war—and why the construction to round out the fleet hasn't been started is rooted in a complex of circumstances, shipping economics and cumbersome governmental procedure.

The Maritime Act of 1936 officially signaled the rejuvenation of a



sorry merchant marine. An extensive program was no more than well begun when the war's onset forced its alteration. Blueprints for modern, more complicated vessels were rolled up, stacked in corners of marine drafting rooms. The entire emphasis was on the slow, but simple and easy-to-build Liberties.

After several thousand Liberty launchings had eased the pressure, keels of the faster and more efficient "C" types and Victories were laid down. There was small place in either phase of the war program for the fast passenger liner. Too complicated, too time-consuming and too hard on scarce materials. Only two were started near the war's end. Thus we came out of the conflict with the passenger ships we had when we started—minus those sunk or worn out in service.

A few months after V-J Day, the Maritime Commission started

through the government mill a program calling for the construction of 12 liners. After successive squeezes which telescoped the program down to three ships, the plan crossed John R. Steelman's desk and landed in the wastebasket. Steel and other materials were too short.

In the meantime, the Commission got euchred out of its powers to start construction on its own. It now has to wait for a definite order from a private operator.

But the private operators are between two stools. Early in the conflict, a war shipping agency advised them to set aside a kitty for new construction. The monies so identified were tax-free. After nearly \$140,000,000 had been put by, the Treasury declared the funds taxable. The argument is still unsettled. The Maritime Commission holds that the question is not negotiable, but a matter for Supreme Court decision. The impasse places the steamship lines in the position of not knowing how much money they have to spend. If the issue does go to the Court, they won't know for another year and a half.

No government policy

BESIDES being stuck on this financial sandbar, the absence of a government policy is a further obstacle. High wages in American shipyards and supplying plants boost to \$8,000,000 a ship that could be built abroad for \$5,000,000. Obviously, a U. S. ship line is at a disadvantage competing with a foreign flag line that pays 40 per cent less for the same ship. The Government regards shipbuilding as an essential industry. To keep the yards going, the Government picks up the check for the difference in cost through the construction differential subsidy, so that U.S. ship lines will build in home yards. Without assurances that the Government will pitch in, the steamship people are understandably skittish about ordering a lot of ships.

A further damper, without a long-term program for the regular replacement of ships as they grow obsolete, many U.S. shipping men see themselves, in 1951, right back at the same old stand—with a struggle on their hands to keep afloat. Right now, British and Irish shipyards are doing more than half the world's shipbuilding. The amount being done in U.S. yards has skidded to five per cent.

To seafaring men, the result is inevitable if present conditions continue. The edge U.S. operators

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N. B. Smith, Secretary

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now enjoy because of modern and efficient equipment will evaporate by 1951. The hulls now in foreign yards will be the newest ships afloat. The crack fleets will be flying a foreign flag. And they will carry the cream of the cargo, the volume of passengers.

The stress laid on the passenger ship warrants some explanation. First of all, the passenger business can be profitable.

Where passenger service doesn't show a book profit, there are important and indirect returns. E. Russel Lutz of American President Lines phrased it: "People travel as they ship, ship as they travel." That is, passenger service gives the lines a chance to do a sales job on commercial travelers who control freight routings. A West Coast ship line, running an all-freight service to the Gulf, found itself losing freight contracts to a competitor who had modest passenger accommodations. The freight line spent \$500,000 installing passenger quarters on four freighters—and held its own. The British habitually dangle de luxe accommodations aboard the Queens as an inducement for shippers to route cargo via British lines. The luxurious passenger spaces aboard Grace's combinations—the Santa fleet—and ALCOA's new trio were installed with an eye to traveling buyers and salesmen.

Speed is advertising

THE fast liner has the additional value of being a headline-getter. Witness the news space given the first crossing of the *Queen Elizabeth*, the speed trials and first sailing of the *America*. They provoke word-of-mouth publicity. In port, they provide the perfect setting for receptions for clients and newsmen. These are some of the reasons why the British, who have no money to throw around, are putting seven new, fast liners in the North Atlantic service alone. Other continental maritime nations, equally hard-up, are following this lead, and bringing the total to 21.

Broadly stated, the solution to our shipping problem is to build the needed ships. But the experts don't quite agree on how many, when, for what routes.

President Truman's committee provides a focal point where proposals can be analyzed, sifted and integrated into a sound, long-range program. The Maritime Commission already has submitted two plans. Though there is considerable difference in detail, the re-

ports show no basic conflicts. Both call for a timed schedule of construction for the next decade.

The objective is a balanced merchant fleet of 1,044 ships of 11,400,000 deadweight tons by 1950. The important element found in both plans is that construction is prorated to replace vessels as they grow obsolete, and to maintain a modern fleet that has proper distribution of vessel types.

An attractive angle of the plans is that the Government's part of the cost will be financed by funds that already have been spent. The Government's share will run about \$750,000,000—approximately the sum that has come into the Treasury from sales of war-built surplus vessels already paid for. Having already invested \$250,000,000 of their own money in rebuilding their fleets, the private ship owners have indicated their approval.

More vessels will be needed

ESTIMATES of the foreign trade segment of the fleet are reasonably close. As president of the National Federation of American Shipping, Almon E. Roth quoted an authoritative consensus that a maximum of 600 vessels could be employed profitably in foreign trade. More than twice the prewar figure, this is based on our carrying a half of our own exports and imports with a volume of commerce twice that of 1937. The Maritime Commission would settle for 491 ships of 12 major types for "adequate" service on 32 established trade routes.

Attainment of these objectives will require a plan of the general stripe of those submitted by the Commission. And time is getting short. The President's Committee will not come up with final recommendations before the first of next year. The congressional routine of hearings, debate and voting is good for three or four months. Thus, contracts could not be let before June, 1948. For the passenger types, allow about two years from keel-laying to launching, and the summer of 1950 is well along before the first new ships enter service.

This is just about the time the impact of the rejuvenated fleets now building in British, French and Dutch yards will be felt.

Considering that an adequate program for a modern, fast merchant fleet will cost an average of \$75,000,000 a year, it would seem that the taxpayer and business had a chance at a rare bargain. It is one the Yankee trader of Clipper days wouldn't pass up.



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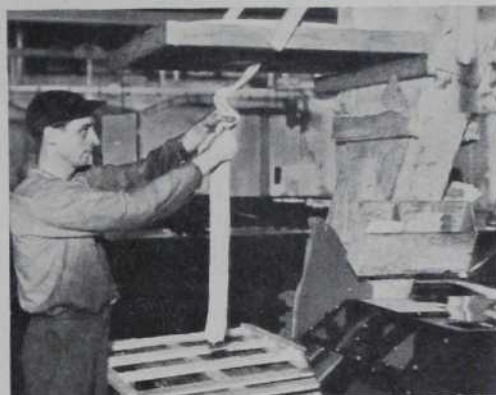
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altered to their disadvantage for purposes of observation. The group performed as a family.

In other words, they liked each other. They fitted into the common pattern. The secretary of one labor organization commented that this is the clue to be followed. The men like to be happy. They like to work with their friends. But, having been an optimist all his life, he was just beginning to understand how many and difficult are the problems involved in the study of human engineering.

Promoting human engineering

THE National Planning Association in Washington, but in no way connected with the Government, is perhaps the leader in the effort to sell human engineering to industry and labor. It began in a small way a few years ago, when a dozen or so industrialists got together to find a cure for some of the things that troubled them.

It has expanded until today it touches every phase of the situation.

The members represent only themselves. No one speaks for any business or industry. The N.P.A. has nothing to sell. It only investigates and reports. Every phase of opinion is represented. Congress was laboring along with antiquated methods and the N.P.A. aided by its advice in the framing of the new streamlining. One member was asked to report on the advisability of paying workmen by the year rather than by the job or hour.

His first report was violently adverse. The N.P.A. talked it over—quite freely; everyone talks out in meetings—and told him to try it again. His second report was more friendly to the idea. When he brought in his third report he had completely changed his position. He not only favored the annual wage plan but proposed to put it into effect in his own factory.

There are many other organizations engaged in the study of human engineering. The great labor unions have specialists at work. Many of the larger universities are actively interested. There is an infinite number of individuals either operating for themselves or as the heads of groups of experts. Under one title or another each of the larger industries employs experts in the same study.

The guiding thought was put in words by the head of a West Coast bank:

"It isn't can we swim. We've got to."

With Honor in His Own Country

(Continued from page 35)

end of the war was rated one of the world's greatest administrators. Perhaps as its greatest individual—but still not at ease in his contacts with the public. He is not at ease now.

One of his warmest admirers attended the first press conference he held after returning from the immensely important visit to Europe made at Mr. Truman's request:

"He, damn it," said the friend, "was just as gruff as he used to be at the press conferences held in the White House. He just can't loosen up."

Hoover's practically complete failure with the press during his term in the White House contributed, no doubt, to the cataclysmic quality of his defeat in 1932. In plain words, the reporters did not like him. He was never at ease with them. The bar of his innate diffidence and his acquired caution was always up. Most of all, perhaps, his reverence for the office of President of the United States made him appear stiff and almost hostile.

He did not help reporters

BETTER than any other man he realized the immense power and responsibility centered in the Presidential office. A mistake in interpretation might have repercussions throughout the world. He did not recognize that the reporters also felt responsibility. It was their business to give the world the latest and most accurate information of White House activities. If a press conference was called off at the last moment, hundreds of newspaper offices were upset.

The accumulated indignation of editors plus correspondents when 75 or more press conferences were called off almost in a series by Hoover had its effect when the latter ran into grave political trouble.

They tried to be fair. But the weight was against him. A reporter who does not like a President may be irreproachably honest and may still give just the least bit more emphasis to a story the President does not like than to one that would please him. Also Mr. Hoover was being needled by a master craftsman. Charles Michelson was the publicity chief of the Democratic National Committee. He provided every Democrat who could

find a stage to stand on with an acidulous speech. These things have an accumulative effect. Recently a young woman repeated at a luncheon most of the old charges against Hoover. One of the guests finally interrupted:

"How old were you when Hoover did these things?"

"Eleven," said she.

"Ever check up on them? You could not have known them of your own knowledge—not at 11."

"Never did," said she. "But everyone knows—"

His most pleasant hours during his Presidency were probably spent at an old Quaker meeting house in Washington. A devout member of the sect, he adheres strictly to its rules and customs. Not long ago he had one of the elder members as a dinner partner. As they talked, Hoover mechanically crumbled his roll between his fingers.

"Herbert," said the old Quaker, "I am surprised at thee. Dost thou not know that thou canst not break bread until thou hast bowed thy head in thanks?"

Hoover sincerely regretted this inadvertence.

It is certain that the other members of the congregation did not share the pleasure with which the President took part in their simple rites. Secret Service men assigned to guard him perched on the window sills, crowded the aisles, and optically frisked the patient Quakers for concealed weapons. At last some leading members approached the President:

"Herbert," they said, "thou should control thy guards."

"I can't," said the President. "I've spoken to them. They will do as they please."

Criticism everywhere

WHEN signs of the approaching world catastrophe became apparent he was subjected to embarrassment in his own meeting house. It is the custom of Quakers to sit in silence until moved to speak. On this occasion one member, an enthusiastic Socialist, sat down in one of the "side" seats, the most conspicuous in the church. When he was moved, he rose and began a devastating criticism of the President.

When a Quaker meeting ends, the handshaking begins. Each member tries to shake hands with every other member. This hand-

shaking is almost a sacrament. Hoover hurried up the aisle and shook hands with the man who had attacked him. As a Quaker he could do no less. Some of the other Quakers spoke to the man who had infringed upon the rules of the church and of courtesy:

"Don't do it again," they told him. "Or else."

One more incident of the Quaker meetings:

One Sunday when it was his turn to take up the collection, he dropped the basket and the money rolled through the aisle and under the seats. No one laughed as the President scrambled about the floor picking it up. He was an embarrassed little boy again.

Defeated by depression

IT WAS the smash-up of the world that defeated him in 1932. In 1928, 444 votes had been cast for him. In 1932 only 59 were registered in the Electoral College, of which Pennsylvania provided 36 by a narrow margin. This surprised him. He did not realize until a few days before the election that he had not a ghost of a chance to win. He felt that he had the world-wide view, knew what was going on, believed he had made no mistake in his appraisal of the situation.

His disappointment was greater because he has always had an almost mystical faith in the democratic process:

"The people will always do what is right," he has often said, "if they are shown what they should do."

There had been some serious mistakes in the showing. The "Farmers' Rebellion"—people called it that—in the Northwest was a serious affair. Hoover knew it but he had not talked turkey to the farmers. He lacked persuasive power. At that time he was not a very good speaker anyhow. He had not had a stiff course in brushwood politics and did not know how to meet hostility as would a seasoned man. When the Bonus Army limped into Washington, a more skilled politician would have taken MacArthur's advice:

"Let me talk to the boys. I'll get on my horse and ride down there. They're all right. They're just puzzled."

Hoover had watched Europe in its convulsions, when neighbor shot neighbor and violent revolution was always a threat. He did not accept MacArthur's advice and Charley Michelson beat his breast like a drum.

Even after 1932, Hoover believed

for a little while that he could be re-elected if he were to run again. Some of his friends were forever starting little firecracker booms for him. If this ambition was ever a serious one he abandoned it to devote himself to the interest of his country.

He placed his knowledge and experience at the disposal of Franklin Roosevelt and was refused, although Henry Stimson and Secretaries Knox, Patterson and Hull urged Roosevelt to call Hoover in. Bernard Baruch was persistent. It is even possible that Roosevelt's decreased liking for Baruch was due to this insistence. Baruch never pulled his punches. When he thought a thing wanted saying, he said it, whether to pigeon-feeder or President. It is certain that Roosevelt had a grudge of long standing against his predecessor. Hoover had said things in the campaign that Roosevelt never forgave.

During the 14 years of his eclipse, Hoover held a watching brief. He occasionally addressed Republican gatherings. His talks were packed with fact and common sense but were not inspiring. He wrote a book or two and collaborated in another with Hugh Gibson, but they had only a library sale. He gave time and money freely to the support of his war library at Stanford—every European government gave to the 28,000,000 items that have been catalogued, not to speak of millions of other items that remain in their original boxes.

Library of World War I

THE value of this library to the democracies has perhaps never been made clear. Far from being a personal record there is comparatively little of Hoover in it. Even the illuminated scroll given him

by the Russian Government in 1922 is not emphasized. That was the year of the Russian famine, and Hoover had been appealed to as the one man who could mobilize food resources in time to save the starving millions. During the past year he has criticized the Russian course and has been attacked furiously by the Russian press.

"They didn't feel that way in 1922," he said on one occasion.

Andrew White, educator who died in 1918, is entitled to an assist on the Stanford library project. Running through something White had written, Hoover came upon a comment to the effect that the ephemeral literature produced at a time of world stress is often invaluable and is usually lost. The statement so impressed Hoover that, when he began to have some leisure after the first World War—he never has any real leisure; he is constantly at work—he made plans for a library that should contain as complete a record of that struggle as possible. He is still active in that effort.

Throughout the second World War researchers for the Allies were constantly at work in it. Not even the British had maps of the North African territory where several decisive battles were fought. They found them in the Hoover library. It contains a file of Russian newspapers from the end of World War I, with the exception of two months when the American Government destroyed all incoming Russian newspapers for fear they were laden with propaganda.

During the San Francisco conference at which the U.N. charter was agreed on, 20 telephones were in constant use at the library. Anyone may send in papers to be filed under any reservation. They may be kept from public knowledge for any period. Hoover's aim is to make

this a continuing reservoir of world information.

There is general agreement that he has more information on world conditions than any other man or group of men. The explanation is simple. During World War I and the intervening years he preserved close relations with the world's most important statesmen. They know him as one unselfishly concerned with improving world conditions. He has been shaped, not only by his Quaker upbringing, but by his conviction that the United States cannot possibly be safe and prosperous in a shaking world. These men also know him as a dependable friend who will respect a confidence. The file of his personal correspondence will be an invaluable addition to the Stanford library in years to come.

Help for Europeans

DURING the period after World War I, Hoover suggested a tax of one cent a ton on freight charges on shipments sent to Europe.

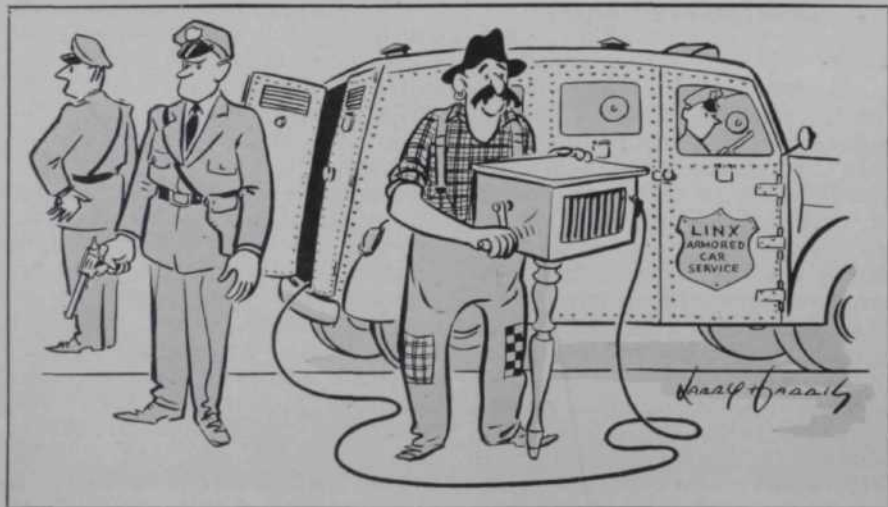
When settling time came, he suggested that the money, then a considerable sum, be turned over to a trust fund, the purpose of which would be to send European youngsters of promise to the United States for a supplementary education. Belgium and the other small nations to whom the money ostensibly belonged adopted the suggestion and, as a gesture of gratitude, made Hoover sole trustee.

Already some of these young men have risen to eminence and become close confidants of Hoover. A friend told of a plane ride through various countries with the former President:

"Wherever the plane landed, men who seemed to know Hoover intimately were at the airport, each eager to give his specialized knowledge. When the plane took off, Hoover knew more about the country's resources than most people who lived there."

The change in public attitude first became apparent in 1937 and 1938. The volume of Hoover's correspondence—and its warmth—increased tremendously. It was as though he had been rediscovered rather than remembered. The effect on Hoover's original diffident personality was marked. Under the new treatment he—well, maybe "bloomed" isn't the word to use, but it will be used anyway.

After he was elected President he made a visit to several South American countries. A correspondent who accompanied him re-



marked later that he had never known Hoover until then. In the company of men he knew and liked he loafed on the deck, told good stories, enjoyed the stories of others, and was as friendly and cordial as any man could be. This experience was in a sense amplified during the last few years. His audience was greater by millions but was even warmer than the half dozen reporters who sprawled on the deck of a battleship. His public addresses were marked by eloquence and humor as they never had been before.

A columnist said of this transition period:

"He has a better ghost writer."

That was unfair. He rewrites and rewrites his speeches and the final draft is almost certain to be interlineated and scratched and crossed. He made 14 drafts of the Princeton speech, in which he discussed world conditions with a candor that startled the American people. Guests at the dinners given by the Gridiron Club of Washington correspondents are never reported but they are usually gossiped about. The former President's speech was warm and witty. Usually the President in office is made the target for Gridiron humor and Truman was no exception but, when it was Hoover's turn to talk, he paid a graceful tribute to him:

"A President whose feet are firmly planted on American soil," he said—and Herbert Hoover being what he is, that is the highest compliment he could pay. At the end of the dinner, Mr. Truman shook his hand.

"Here," he said, "I want to write my name on your dinner card—"

"My very keen appreciation of a great American. Harry Truman."

Help on the European problem

UNLIKE his predecessor, Truman listened to those who urged him to call Hoover in.

"I'll ask him," he said in effect. "I always have liked him."

Hoover said he would do anything that Truman wanted him to do.

"Go to Europe," said the President, "and tell me the real facts about food."

"I can tell you that now," said Hoover. "I don't have to go to Europe."

The rest of the story does not come from Hoover's friends. He had told the President that he would go to Europe and report.

"But I will examine the whole

"Gee, That's Eatin'!"



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situation," he said. "Food is only a phase of the greater picture. Unless we know of European economics we cannot know what we can do."

"Write out your own directive," said the President. "Send it to me and I'll sign it."

"I will not be subjected to the orders of the soldiers."

"Right," agreed Truman.

On departure day the plane had been readied to take off at five o'clock. The men of the Hoover party were with him in his apartment in the Waldorf Towers. Bags were packed, porters were standing by. At four o'clock the draft of the directive which had been sent to Truman for his signature had not arrived. Everyone grew uneasy. At 4:30, a State Department courier dashed in. He offered Hoover a sealed and red-waxed envelope.

"Sir, your directive from the President."

"Wait a minute," said Hoover. "I'll read this. I do not understand why there should have been five days' delay."

Changes by subofficials

THE directive was not the one he had sent to Truman. Hoover was directed to confine his inquiry to food. He was to let economics, high politics, industrial conditions and the operations of the soldiery alone. He was to report in to the generals and be checked out by them. The State Department had done its formidable best to make monkeys out of a President and an ex-President. Remember that this story does not come from Hoover's friends. It comes from indignant men who are very fond of a man who hails from Independence, Mo.

"Get me the White House on the phone," said Hoover.

He read the amended directive to the President.

"This isn't what we agreed to," he said. "I cannot go to Europe bound by this directive—"

"Listen," replied the President. "I did not know anything about this. I only sent it over to the State Department to be put in the kind of diplomatic language they like. You tear it up and travel on the directive you showed me. Pay no attention to this thing—"

It was Hoover's report on this trip, plus the further confidential information he gave to Truman and Marshall, that formed the basis of the Truman-Marshall doctrine.

He will never be in politics again. But Herbert Hoover has come back.

Our College Jam Thickens

(Continued from page 44)

dle West and Middle Atlantic areas in recent years. Generally, they are doing an excellent job in providing 350,000 students with "terminal education"—two-year courses that stress technical and semiprofessional training for such positions as airline hostess, newspaper reporter, beauty parlor operator, sales manager, forest ranger, etc.

Looking to the future, federal aid for education is being discussed seriously today. Not long ago some educators shied away from federal aid like a skittish elephant from a mouse—fearing that governmental help meant bureaucratic control. But now public and private institutions alike are asking a helping hand from Uncle Sam. Dr. George Zook, president of the American Council on Education, recently called for \$1,000,000,000 a year in federal aid to bolster our democracy through education.

Scholarships for civilians

ONE form which this aid is sure to take is a system of federal scholarships for deserving civilian students—similar to the GI Bill of Rights—so that America may have a steady supply of doctors, educators, engineers, chemists, physicists, economists, public health officials, diplomats, social workers, Army and Navy officers, and other top-notch professional men. Under such a plan, America's greatest natural wealth, the brains of her youth, would not be squandered haphazardly. A system of federal scholarships, moreover, would necessitate a careful and rigorous basis of selection.

Let's turn to the second question which today faces university educators: What are we going to do about large numbers of students? The answer is easy. America needs more, not less, education, and we welcome this army of fresh-faced youngsters, so eager to absorb the knowledge of the ages, so concerned with equipping themselves with the skills that will enable them to enjoy best their American heritage, so ready to undertake civic and community responsibilities. The problem lies not in numbers, but in devising ways to handle skillfully mass education on the college level.

In this connection, I think of a friend who has a boy at the age

when shirt tails work out and droop like a flag at half-mast. He was amazed to note one day that a colleague's four youngsters wore their shirts as neatly tucked in as if they were heading for Sunday School.

"How do you do it?" he asked. "We have trouble keeping one boy neat."

"Simple. My wife buys shirts for the gang and then sews a bit of lace around the bottom of each shirt."

As university enrollments go up, the opportunity for personal contact between students and professors—which so often flowers into discussion, encouragement and inspiration—begins to diminish rapidly. Large state universities, such as California, Wisconsin and Ohio State, have had prewar experience with large numbers of students and know pretty well how to handle them efficiently. Though some classes run to 1,000 students or more, the average class at the University of California is about 35.

For example, large lecture classes of several hundred students are common in popular lower-division courses such as freshman English, history, economics, political science. These huge classes meet on Mondays and Wednesdays to hear lectures by an authority in the field. On Fridays the class is broken into a number of smaller "quiz sections" presided over by younger instructors or graduate students.

Another aid to resolving the dilemma of large numbers is early, expert and frequent counseling of the individual student. When he finds the right niche, both the student and society as a whole will benefit. American business has dis-

covered that scientific cataloguing of skills and personality traits is valuable to production efficiency. Higher education is learning that psychologists and vocational guidance experts can prevent students from wasting time on professions and careers for which they have little aptitude.

However, we can't cope effectively with problems of large numbers of students unless we have adequate classrooms and laboratories, plus highly trained faculties. Both are important if we are to fit colleges and universities into the high-speed, close-knit civilization of 1947 America. Where will they come from?

All across the nation state legislatures and private donors have provided funds for new campus buildings. But this generous golden stream must continue to flow until all needs are taken care of. Many institutions face the same building problems as the University of California. Costs have doubled and tripled; materials and labor are scarce; equipment is hard to get. Two years ago the California Legislature provided \$28,000,000 for the university's eight-campus building program. Last year the amount was increased to \$60,000,000. And this year we have asked for \$22,000,000 more. That gives you an idea of what increased costs and larger enrollments mean.

In addition to classrooms and laboratories, there is real need for adequate student housing on America's campuses where young people often are living in trailers, tents and sometimes even sleeping in their automobiles. It is estimated that 350,000 prospective students did not enroll last year because they could find no place to live.

Lack of college atmosphere

THIS situation is more than just a housing problem. Many of our larger universities are charged with being "street car colleges." Students live at home, commute to school via the subway, bus or private jalopy, eat lunch from a paper sack as they study, return home immediately after classes are over. This provides little time for enjoying the cultural and intellectual riches with which every college and university abounds. Such an institution as the famous college "bull session" is sometimes fully as important as a regular class. In my opinion, colleges and universities need more club houses and places where students and faculty can meet.





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Likewise, the problem of maintaining the large and competent staffs necessary to efficient operation of large universities is one that has proved to be a headache to college presidents during the past couple of years—one that will continue for many more.

Last year at contract-signing time a promising young psychology instructor came to a certain university president's office.

"Sorry, but I won't be with the university during the coming year."

"We're sorry, too. Why not?"

"Well, I worked my way through school helping in a plumbing shop. I find I can now get a job plumbing—and make twice the salary I would earn here."

Competition for instructors

GOOD young Ph.D.'s are scarce, partly because we failed to train any during 1941-45 (one of our costliest wartime mistakes) and partly because those with degrees are finding jobs elsewhere. With a greater need than ever before colleges and universities are up against stiff competition from government, business and industry.

The effort of the National Education Association to increase the salaries of all teachers, including those on the upper levels, is already beginning to be effective. In time these salaries may be raised to a respectable level. But so long as professors are paid less than cafeteria managers and instructors earn less than waitresses, we are going to have trouble attracting the best talents into education.

Dr. John W. Studebaker, United States commissioner of education, expressed it succinctly when he said:

"The heart of the present crisis in education is to be found in the bedrock question of the quality of teaching. Adequate buildings, proper supplies, books and audio-visual materials are all important, but they are less significant than an assured expertness of instruction and a fine quality of teacher-pupil relationship which together constitute the fundamentals of the kind of education necessary to sustain our free way of life."

And finally, what to teach on the college and university level? That, perhaps, requires the gravest decision of all for it will have a profound effect on the political, economic and social atmosphere in which America will develop. What sort of an education do we want our leaders of tomorrow to have? Do we want them to absorb the dis-

tilled wisdom of recorded history? Do we want them to become skilled technical and social mechanics to keep our high-speed civilization running more efficiently?

Government, business and industry today are crying for bright young men and women. They say: "Give us a boy who is grounded in economics and we'll teach him to run a bank;" or "give us a girl well trained in apparel merchandising and design and we'll make her our New York buyer." Hundreds of scholarships and loan funds have been set up to train youth for careers in business. The Army and Navy as well as industry are pouring millions of dollars into American colleges and universities for scientific research. The emphasis is largely upon "practical" education.

We have thought too much, perhaps, of the college as the handmaiden and servant of the professional and graduate school. We have played down general education in favor of fields of concentration. The piling up of facts, however, may be scientific but it is not education. We need *both* for we have a heritage of culture to transmit as well as a world to explore. This point of view does not call for a moratorium on science. It asks only that scientific advance and invention shall not dominate the educational system and that time and attention be given to men in society, past, present and future. Colleges and universities, I am happy to say, are coming more and more to place emphasis on the social, economic and human values of living. And students approve.

As one of our surprised veteran students said after a course in Plato:

"That guy is all right. He's got a lot of my ideas."

Education for better living

THE curricula of higher education are being overhauled to train students to live as well as to make a living. This is called a "core" of the educational system, a scheme of values allowing the widest scope for knowing the world as-it-ought-to-be as well as the world as-it-is. Many colleges are now attempting to provide a broader offering for students during the first two years, letting them specialize during the last two years.

In addition, new emphasis is being placed on courses which will prepare the student to live in a world that has shrunk amazingly in the past few years. According to

a survey conducted by The New York Times, Russian language courses were being offered in 19 institutions before the war. There are 110 now. Courses in American history and international relations have grown extremely popular in the past two years. Techniques developed during the war, when motion pictures were widely used, are being used now.

In the minds of many men, the problems of peace are inseparably linked with the problems of education. We in the United States must get ready to solve problems that are not so much mechanical and technical as they are human, political, geographical, economic, social and moral. We must educate our best students with some kind of philosophy which recognizes at least two principles: 1. that we have committed ourselves to a democratic solution of the ills of the world, and, 2. that education bears a great responsibility and must be in tune with the future.

But there are pitfalls along the way. Education has always needed freedom in which to develop fruit. By tradition, our schools have always been a field where the best ideals of American democracy are allowed to function.

Educating for the future is going to cost money. Someone has defined Americanism as "shuddering in dread of ruin when we spend \$3,000,000,000 on education; cheerfully spending \$3,000,000,000 on cigarettes." But our bill for education looks small when compared to Russia's \$7,500,000,000. And even smaller when placed alongside our \$20,000,000,000 expenditure for liquor, movies, tobacco, soap and cosmetics. We must spend more to produce a quality product.

Investment for the future

IN the last analysis, money spent on education is not an expenditure at all but the soundest kind of an investment. It is an investment in the hearts and minds of our sons and daughters, who will be taking over our jobs all too soon. In these critical times, when peace and prosperity rest on shaky foundations, a high standard of mass education is the cheapest sort of insurance policy that I know.

Crowded colleges are here to stay, and as a university administrator I am glad of it. To be sure, education has its problems, but as Lord Brougham, the British statesman and author, said: "Education makes people easy to lead, but difficult to drive; easy to govern, but impossible to enslave."

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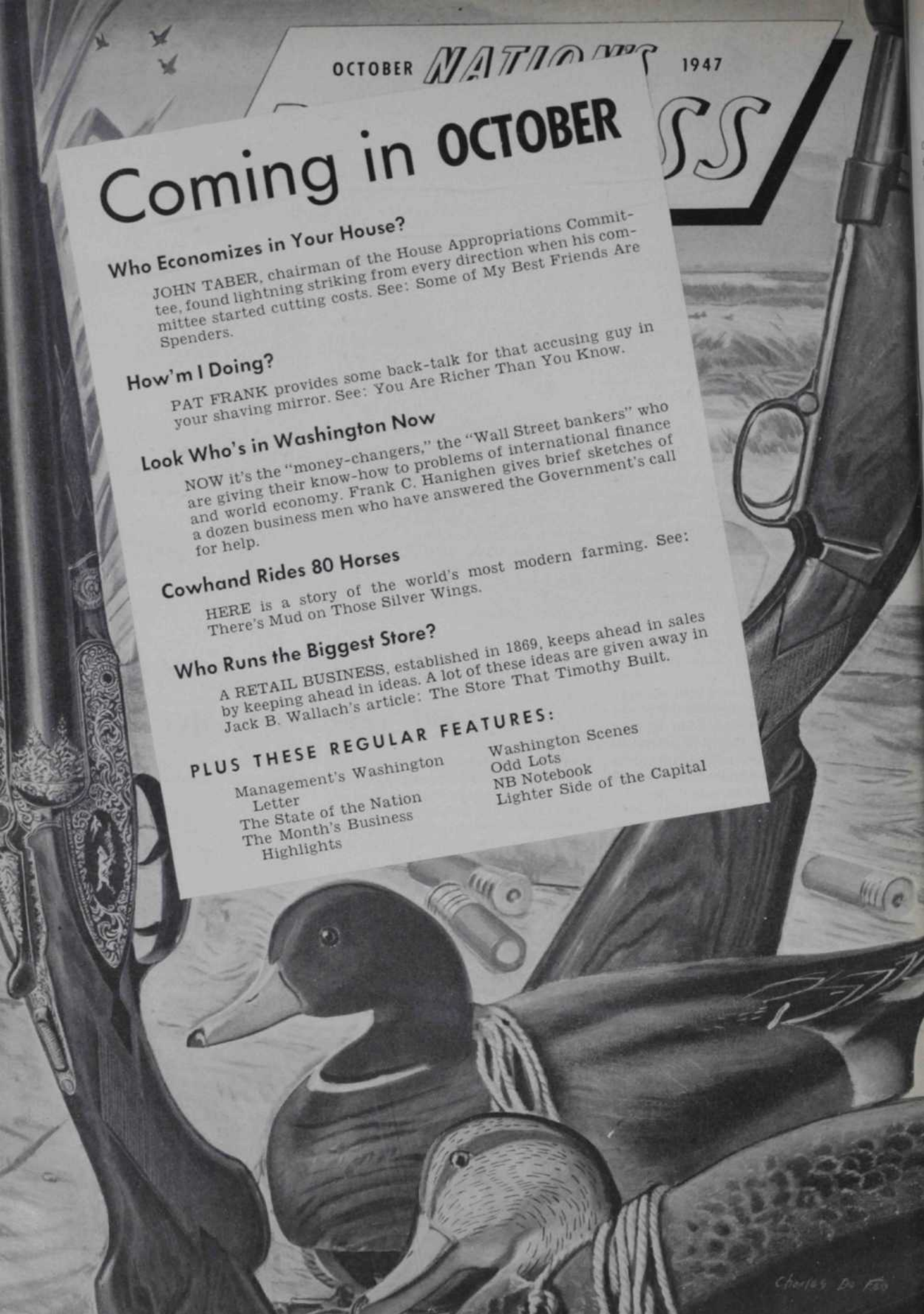
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When the Veteran Answers Sick Call

(Continued from page 40)

one fifth of the present veterans ever will need hospital accommodations. Others take the Veterans Administration's one-year record of handling four times as many patients as it had beds as a basis for figuring future needs. One method is a guess and the other is based on what VA did and not on what it should have done but couldn't.

Ordinarily service-connected disabilities would tend to decrease as the war fades into the past. But, with much of the last war's fighting in the tropics, ailments—leprosy, for instance—may not develop for years after they were contracted in the service. Peacetime misadventures of veterans—like civilians—will follow the graph of insurance actuaries which shows that man's vulnerability to accidents and ills increases with the years. This will mean that those who must be patients the rest of their lives will increase with the years. Today's figures show 14,208,000 veterans of World War II and 3,927,000 from previous wars. Before another year is ended, the first figure will increase to 14,700,000. Some of them will ride in Memorial Day parades in 2030 but, in the 1946 fiscal year, the VA hospitalized 360,000 of the eligible veterans. This is roughly one in 40. Applying this figure to the increased number indicates that VA will have between 600,000 and 700,000 in its beds by 1970.

The Equipment: The number of veterans who can receive the medical care for which they are eligible is limited by the facilities available. In 1946, the Veterans Administration received 493,000 applications from veterans for admission to hospitals or rest homes. Of these, more than 120,000 were rejected as not eligible. Ineligibility embraces many causes, of which the most frequent is: "No accommodations available."

The VA did its best with what it had but, although it is the largest single hospital establishment in the world, it has only slightly more than the number of beds figured as necessary for 4,000,000 veterans. On June 30, 1947—the close of the last fiscal year—the Veterans Ad-

ministration was operating 123 hospitals with 117,198 beds.

In addition, the VA contracts for beds in other hospitals and with private physicians for out-patient medical attention.

Two years earlier VA had 97 hospitals with 81,133 beds. Part of the increase came from the transfer of established military hospitals to its administration. Such transfers are not always satisfactory. Although physicians and nurses served in out-of-the-way Army hospitals without complaint as part of their wartime duty, isolation loses all appeal in civilian life and the difficulty of retraining personnel—as in the 377 bed tubercular hospital at Ft. Bayard,



N. M.—makes many of the former Army and Navy hospitals unsuitable.

It may even force the closing of some established VA hospitals.

If and when new hospitals are built, the policy is to locate them near cities which also makes them more accessible to both patients and medical centers.

The only new hospital completed in the 1947 fiscal year is at Tomah, Wis., with 1,172 beds for mental cases. In the same 12 months, 19 additions—for mental cases—with 5,987 beds—were added to existing hospitals. Three hospitals—Sampson, N. Y., Saratoga Springs, N. Y., and Thomasville, Ga.—were closed

and their patients moved to the new additions.

An impressive hospital program approved in May, 1940, was stopped by the war and, although the President approved nine hospital appropriation acts between 1943 and 1946, this is only a paper increase. Although the acts called for 74 new hospitals with 39,121 beds, and 47 additions—16,286 beds—to existing hospitals, only eight hospitals, with 6,329 beds, and 12 additions with 4,559 are even under construction. The hospitals are at Providence, R. I.; Brooklyn, Buffalo, Peekskill, and Albany, N. Y.; Lebanon, Pa.; Sioux Falls, S. D.; and Grand Junction, Colo. Plans have been drawn for some of the others and the VA has approved 20 or more.

The President has also authorized a 250 bed addition and 15 more new hospitals with 12,650 beds but Congress has appropriated no funds.

The American Legion and other veterans' organizations are not optimistic over the promise of adequate hospital facilities. The Legion estimate, when the first appropriation was made four years ago, was that 300,000 beds would be needed in 1948 and that eventually enough would be needed to care for 2,000,000 veterans with service-connected disabilities alone.

The Legion, however, does not hold VA and Congress entirely responsible for failure to meet this goal. Many other factors—war construction, labor shortages, rising prices and the usual red tape—have contributed to the delay.

Costs: VA spent \$136,249,000 for medical and hospital treatments alone in the 1946 fiscal year. The figure reached \$303,235,000 for the first ten months of fiscal 1947. This does not include new construction—\$34,316,000 in 1946 and \$150,685,000 to April 30, 1947—nor maintenance of buildings and grounds, travel, clothing, administration and the operation of offices and diagnostic centers.

The cost of treatment is increasing in line with other prices. The average for each patient for one day was \$3.42 in 1945 and \$5.22 in 1946.

It is equally difficult to foresee how long the costs will continue. Though close to half a century has passed since the Spanish-Ameri-

can war ended with little fighting as wars go today, more than 9,000 of its veterans were in government hospitals in 1946; and the Civil War, which ended more than 80 years ago, accounted for 11 hospital beds.

Moreover, hospitalization, which is limited to veterans is only one among many kinds of assistance which our nation offers to those who served their country and benefits for family and dependents will continue for years after the veterans are gone. The last pensioner of the War of 1812—Ann Hill Morgan, whose father was in the 4th New York Volunteers—lived in Eugene, Ore., until March, 1946.

In that same year, 51 dependents of Mexican War veterans were still on the pension lists, as were 21,000 whose relatives served in the Civil War.

Applications for World War II benefits to veterans or their relatives already total more than 46,000,000. In ten years the figure is expected to reach 62,500,000 and that may not be the peak.

All of this cost the Government \$4,772,000,000 in 1946, more than double the figure for 1945. The total over all the years of our history is almost \$34,000,000,000.

Implications: To the extent that hospitalization is available to all veterans, men or women, the government program is socialized medicine. The same can be said of clinics and hospitals for the unfortunate which are supported by states and municipalities. However, the many conditions and restrictions attached to veterans' hospitalization prevent it from being available merely for the asking.

Disregarding the comparatively small number of emergency cases, the priorities or order of prece-

dence among veterans for admission to VA hospitals are:

1. For injuries or diseases contracted or aggravated in war service.
2. For those contracted in peacetime military service.
3. For civilian disabilities of veterans otherwise disabled in war service or receiving a pension.
4. For any disability regardless of the veteran's service.

The last classification, which fills two thirds of the beds in veterans' hospitals, is tabulated as non-service-connected disabilities. To qualify in that class, the veteran must be: 1. Honorably discharged; 2. Not taking a bed needed for a veteran with a higher priority; 3. Disabled to the extent of being unable to earn a proper living; and 4. Unable to pay for treatment.

Veterans Administration satisfies itself from the records and its own diagnosis on the first three requirements for admission of non-service-connected disabilities. On the fourth, it accepts the veteran's word that he is unable to pay.

Nor is VA authorized to question or investigate the accuracy of the statement. A man may have a substantial income but he decides whether it is needed for other purposes.

A veteran applies for hospitalization at a control office or medical center in a city or region. The office first consults its records and photostats to determine whether he is a veteran. The next step is to decide whether his trouble is from a service-connected or non-service-connected disability. An X-ray and thorough examination by a physician follow. In 1946, 1,022,000 X-ray examinations and

5,591,000 laboratory tests were given.

After he is hospitalized, the veteran with a non-service-connected disability receives the same attention as others. The requirements for his admission are very different from those of a service-disabled veteran. Only in an emergency, such as an accident or suddenly developed crisis is he received without question. Also, his privilege is limited to hospitalization and does not include treatment, medicines or even a prescription if not accepted as a hospital case.

Dependents of veterans are not eligible for hospital service. Not even a woman veteran, much less the wife of a veteran, can use a veterans' hospital as a maternity home.

Also differing from other hospitals, a patient is not sent to a veterans' hospital with the family physician's instructions for a certain treatment. VA's medical corps—3,370 physicians of whom 2,083 are in hospitals—makes its own diagnosis. This is essential if only to determine where the disability was contracted. The chronic headache may be due to malaria contracted in service or to a tooth which became infected from cornerstore sandwiches. Or the headache may come from a merry evening for whose aftereffects hospital beds are not available. The veteran, once past the door, may get a curt: "About face, march!" or be put to bed for some trouble which he never suspected he had.

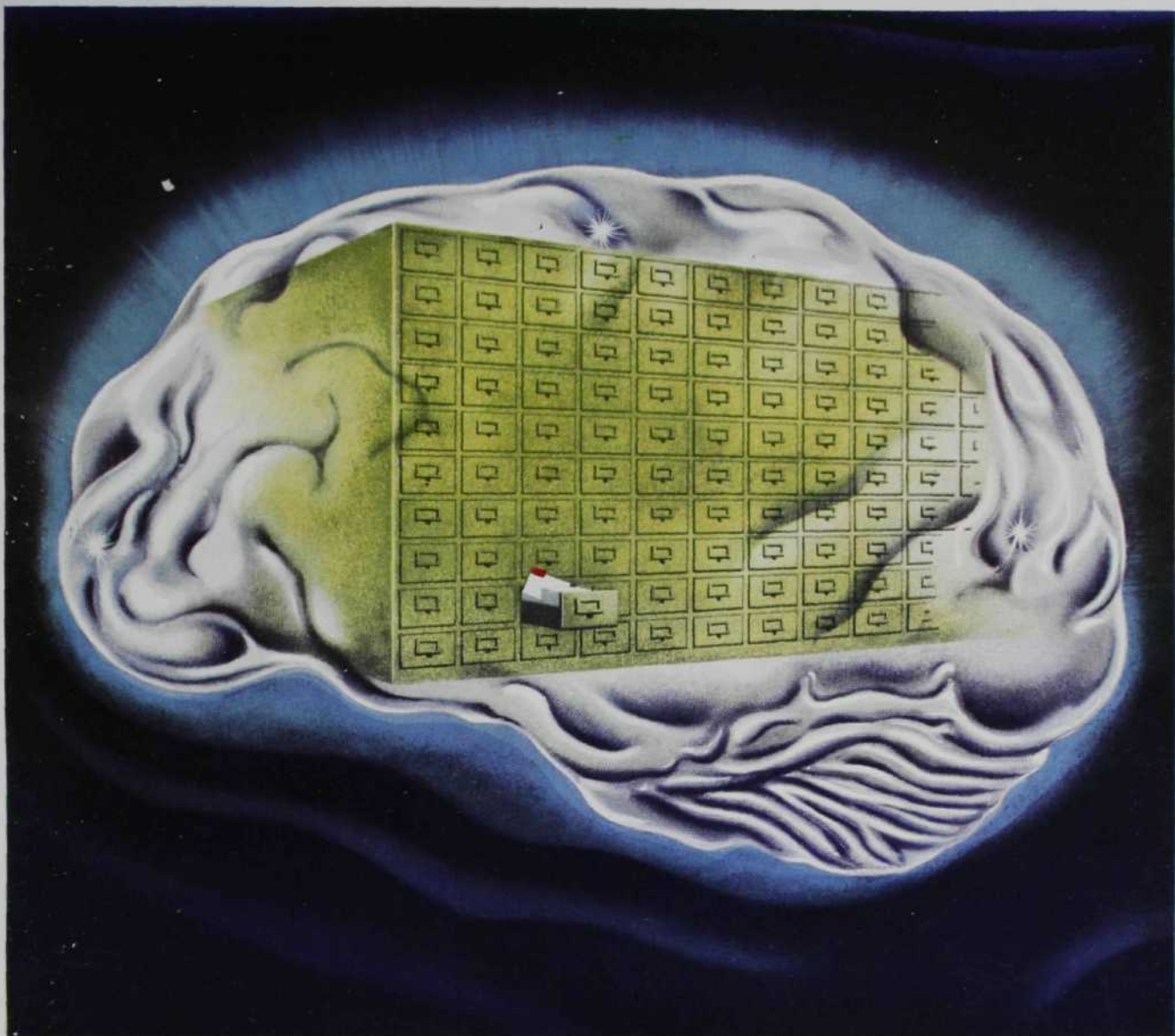
The Legion stand

THE American Legion, which has fought vigorously for adequate hospitalization through the years, does not regard this program as socialized medicine. Its national Medical Advisory Board, composed of some of the nation's most distinguished civilian and military practitioners, regards it only as an obligation which the nation owes its veterans. The Legion has, in fact, opposed both socialized medicine and compulsory insurance, while supporting hospitalization.

In any event, the debt to veterans will not be paid in 100 years. Grandchildren of the men who marched away will remember World War II in their tax receipts long after they forget what grandpa told them and what they learned of it through their history books.

That should be a thought for those who already talk so bravely of another world conflict.





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2. Chase

- ☐ Shallow tray for holding type
- ☐ Frame for locking up a printing form
- ☐ Locked-up printing form



3. Sampling

- ☐ Selecting a specimen of paper for analysis
- ☐ Making a paste-up of printing proof
- ☐ Measuring depth of etch in engraving



4. Outline Halftone

- ☐ Halftone with background cut away
- ☐ Halftone with highlights etched out
- ☐ Halftone with rule border

ANSWERS

1 Resiliency is the ability of paper to recover from distortion, providing a cushioning action important in printing. Levelcoat* printing papers have excellent resiliency — derived from their uniform formation and the proper formulation of fibers.

2 Chase is the frame for locking up a printing form. After lock-up will come the actual press run — and here wise advertisers choose dependable Levelcoat coated papers to protect the full effectiveness of booklets, catalogs or mailers.

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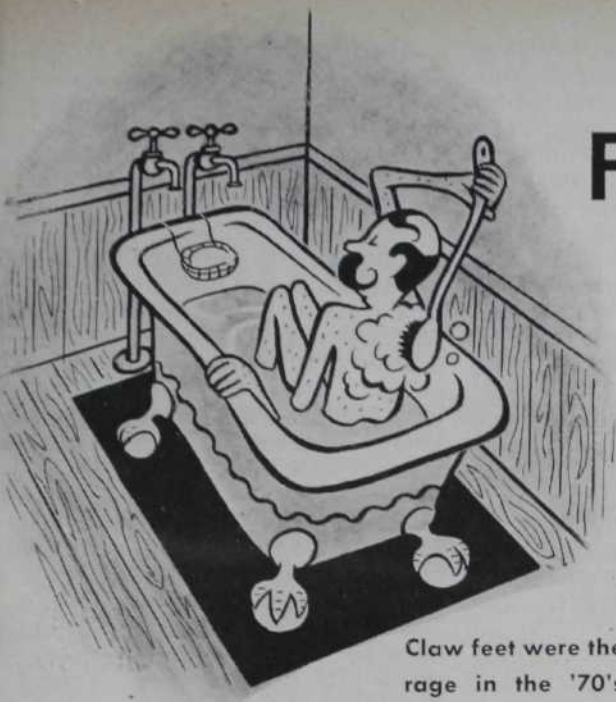
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1872—SEVENTY-FIVE YEARS OF FINE PAPER MAKING—1947



Claw feet were the rage in the '70's

From the Washtub in the Kitchen

By BILL HENNEFRUND

AMERICANS today own 95 per cent of the world's bathtubs and, for those who prefer not to shed their glamor with their clothes, cleanliness can be expensive

ARE YOU ONE of the 1,800,000 Americans hoping to buy a bathtub this year? If so, how about going in for something really fancy—say a tub cut out of a block of marble?

Only lack of money and imagination stand between you and the realization of your fondest bathtub fantasies. For, as manufacturers plunge into the business of producing more bathtubs than at any other time in history, you can bet your last cake of soap the "glamor bathtub" is due for a comeback.

For the past 15 years, the depression and war shortages have combined to submerge this rich member of the Great American Bathtub family. The glamor tub enjoyed a splash in 1934, and the increase in the gold-plating of bathroom fixtures was hailed as a sign of "recovery," but it was short-lived. Now the lid is off again, and bathtub salesmen are braced for the screwy requests for glass bathtubs, "waterfall effect" tubs, or bathtubs for two or more people.

Having a bathtub tailored to your special taste can run into big money, and Frank Meyer of Montclair, N. J., generally credited with the rise and flow of the glamor tub, can prove it. In 1927 he furnished 36 bathrooms in the home of the late Hubert B. Parson at Long Branch, N. J.

Eighteen of the rooms were finished in 18 different period styles, with bathtubs and gold-plated ornaments to match. Meyer's bill came to \$180,000, but before the Parsons were satisfied with their plumbing conveniences, they had spent nearly \$300,000.

Meyer, carrying on the plumbing

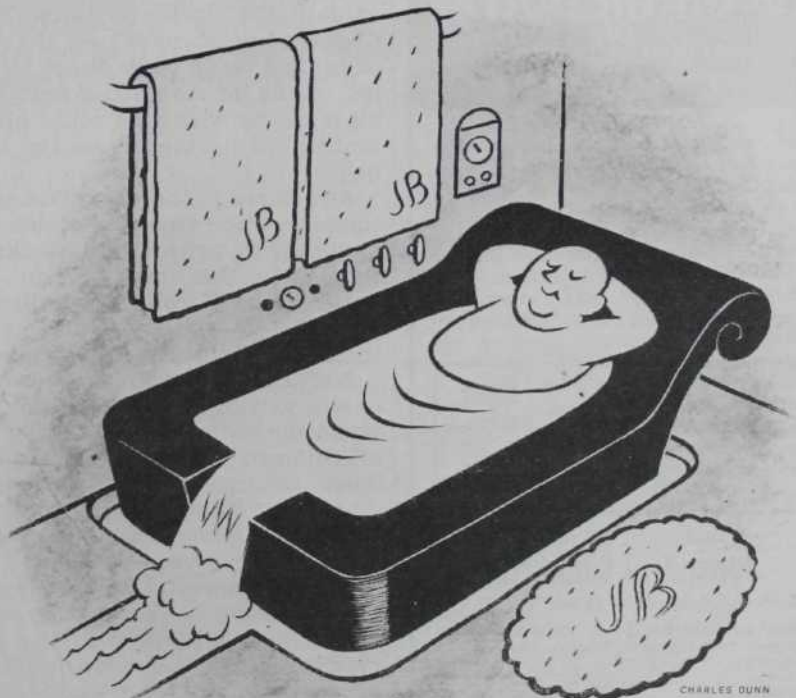
business founded by his grandfather in 1867, for years sold such stock glamor items as gold-plated diving dolphins and American bald eagles, to be used in place of the usual porcelain water controls. It was inevitable that he would install the most expensive tub ever built.

It was in the George Blumenthal home in New York City. The tub is oval in shape and was hollowed out of a slab of black and gold African marble shipped from Italy.

It cost Blumenthal \$25,000 when completed, but before that, two earlier attempts to carve the tub out of marble blocks failed. Counting the expensive failures, Blumenthal paid \$50,000 to relax in warm water. Cost of the gold-plated fixtures was extra.

If you want the Blumenthal tub, you might get it for about \$5,000. For the past few years it's been sitting in an interior decorator's warehouse.

Bathtub salesmen rely on tact to



A California banker dreamed up a waterfall effect



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II-2

thwart the whimsical projects dreamed up by moneyed tub-lovers. One tub fancier wanted his tank lined with monel metal so "it could be exclusive." Wonderful idea! he was assured. Only to do the necessary polishing of the metal, a special polisher would have to be conceived, designed, and built. This would bring the cost to about \$25,000. The customer ended up with an enameled tub.

The Park Avenue matron who wanted a tub made of mirror glass suffered from a peculiarity known in bathtub circles as the "mirror craze." Ceilings, walls, doors and part of her bathroom floor were covered with mirror glass. To a curious salesman she explained she wanted the mirrored tub so she could "see the reflection of the waters."

Such a tub, she was informed gently, would soon fall apart, even if it could be made.

A little Niagara

THE California banker who wanted a continuous bath, with the water draining off one end in a waterfall effect, was dissuaded finally from his mad scheme after a detailed sketch was drawn, showing how his tub would not rival the beauty of the Niagara.

The really fantastic bathroom projects are dreamed up by people whose thoughts just naturally run to bathtubs when they've made a pile of money. How else can you explain the device installed by a Chicago stockbroker? At the foot of his bed was a large chest. Opening of the lid revealed a seat-type elevator, by which he could plummet to his marble tub on the floor below.

And there is the Canadian gentleman who struck it rich by dabbling in penny gold stocks in the 1920's. His new home on the outskirts of Toronto contained a gold-plated bathtub—and even the exposed pipes were gold-plated.

So far as is known, there is only one onyx tub in the world, and it was ordered by William C. Grunow of Chicago in 1929. Cut from a block of translucent rose-tinted and gold-veined onyx marble, the finished product weighs more than a ton.

All this indicates the American bathtub has come a long way since it first appeared here in the late 1700's. The first tubs were outdoors, generally in a dairy or special hut, and moved indoors only when water systems were introduced to cities in the early 1800's.

By 1830, Sylvester Graham of

graham cracker fame was crusading for a "sound mind in a clean body," and advocated a warm water bath three times a week.

Twenty years later the bathtub was a recognized social institution. The White House got its first tub during Lincoln's initial term, giving prestige to both the tub and the administration.

One sunny day in 1870, the first all-iron bath with claw feet was hoisted up the sides of a tenement on 42nd Street in New York City and produced a sensation. Tenement dwellers of other cities wanted bathtubs—and many got them.

Glamor tubs got their real start in the '80's, when one company began selling a glazed porcelain job with a "Grecian gold band" and "turned porcelain feet." You could have the tub fitted with a needle spray and shower. Ten vertical cage bars squirted water at the trapped bather. While that arrangement was the last word in bathtub elegance and cost about \$800, mail order houses began selling a zinc number for about \$7.

By the 1920's, America was chinch in bathtubs. We owned 95 per cent of all tubs in the world, and city dwellers were using more than 250 gallons of water daily each, compared with the nine or ten gallons used in 1854.

The glamor tub quietly made its own way. Industrial designers of the '30's cried, in vain, that "the American bathtub threatens to become idiotic flubdub." For those who couldn't afford a gold-plated swimming tank, one company produced the square job with built-in seats for two.

Simple tubs preferred

STRANGELY enough, wealthy Europeans and Oriental potentates seldom order extraordinary glamor tubs from the United States.

One company launched an expensive model and, with an eye on the promotional possibilities, tried to sell the first one to King Prajadhipok of Siam when he visited this country in 1931. When the king called at the company's New York showroom he was shown, with appropriate flourishes, finished sketches of the tub.

It was a super-de luxe job, seven feet long, with a seat at one end. The king shook his head, asked to see the company's catalog. Thumbing through it, he made his choice.

To the dismay of salesmen, he had selected an ordinary, enameled iron tub for his winter palace at Bangkok.

It's All in How You Look at Prices

(Continued from page 48)

straight-across-the-board price cut, they contend, would work out inequitably. They also point out that production and distribution costs vary. A price that one company can get by on would ruin another.

The plain fact is that price panaceas can't be found by either Government or business and some straight-thinking and plain-speaking business leaders who know have decided that it is time to call a spade a spade and use it.

1941 prices and 1941 costs

ERNEST R. BREECH, vice president of the Ford Motor Company, speaking before the American Marketing Association, forthrightly answered a question which he said he was being asked daily:

"When will Ford sell a car at a 1941 price?"

The answer was:

"When we can buy steel at 1941 prices, when we can add capacity and equipment at 1941 costs and when our employees work for 1941 wages."

He did hold out the promise that, if the would-be purchaser is "willing to wait until the price on (his) Ford goes down because of increased efficiency . . . he may be able to buy it in 20 years at 1941 prices."

James D. Mooney, president and chairman of Willys-Overland Motors, told the Mid-America Exposition in Cleveland the same thing.

It's axiomatic that you can't have cheap goods and cheap money at the same time. The very phrase "cheap money" means that all other things are high priced in relation to money, Mr. Mooney said.

When OPA was going into trances while it fixed reconversion prices, its favorite theme was that tremendous postwar volume would decimate costs. But OPA wishfully calculated in terms of prewar costs. It overlooked what had happened to the dollar's buying power for the producer and consumer alike. It also neglected to consider that strikes could make maximum output impossible.

As Mr. Mooney explained, the American dollar in the past 15 years has increased in quantity and decreased in value, until today "our 1947 dollar, even by the most optimistic appraisal, cannot be valued at more than 60 cents as

compared with the 1941 dollar."

Actual experience bears that out. None more than the manufacturer is eager to price goods in a way to promote the volume that OPA predicted would lower prices. After all, mass production and distribution have led to the lower costs and prices that are as closely identified with the American way of life as bubble gum and soap operas. But, as one manufacturer has pointed out, the goal of high volume and lowered prices is almost academic in view of material shortages and rising costs.

This manufacturer, like many others, is willing to gamble that additional volume will justify lowered prices, but he cannot even make that gamble so long as he is denied the opportunity.

One knit goods manufacturer, infected with the hysteria for lower prices, decided to waive all profits and quote cost figures on his new lines.

His impetuosity cost him dearly. Customers with orders on his books canceled them in the belief that further price cuts were coming. Other accounts deferred placing orders for the same reason.

One men's wear manufacturer demoralized his industry by agreeing to accept any price for his goods that his dealers would pay, providing they in turn would advertise and sell his products at a low gross profit to themselves.

His proposition was warmly received but, when he approached the same dealers to interest them in his fall line, they were luke-

warm. They had become accustomed to his handouts, and they didn't cotton to his brash idea of resuming a policy of trying to sell goods at a profit.

In the first quarter of this year rising inventories were cited as proof that the public couldn't take goods off the market at prevailing prices.

Actually, inventory accumulation was due to a variety of causes. Material shortages delayed goods in process. Often lack of a minor, component part tied up thousands of units in factories or assembly plants.

In retail stores, a variety of causes tended to increase inventories. A warm fall and winter hurt women's apparel sales. Lack of worsteds slowed up the turnover of men's clothing.

The residues of wartime stocks of hard and soft lines were hard to move despite mark-downs. Shoppers didn't fancy ersatz items at any price.

Price, as a matter of fact, had little to do with inventory accumulations. The highest priced goods generally did best. The consumer was hungry for quality, and apparently willing to pay for it.

Today, the automobile manufacturer who is getting \$1,500 for a car that sold in 1941 for \$800 hardly can be accused of overpricing his product when that same car, driven around the block, brings \$2,000 as a second-hand job.

As a matter of fact, the automobile maker is far from happy over this situation. He knows that it can't and won't last, and that he is being blamed for his inability to produce enough cars to protect his list prices.

What, then, is the present price



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picture, and are prices actually too high?

Viewed calmly, it is probable that few persons could actually define a high price, except to say that it is a price too high for them to pay. Actually, if current prices are compared to 1920 levels, they are relatively low. The comparative consumer price index then hit 185 as against 160 in 1946.

Still, compared with 1939 levels, today's prices are high and experiments with such price-cutting moves as the Newburyport Plan have revealed that consumers expect cuts as deep as 25 to 35 per cent, according to Martin R. Gainsbrugh, chief economist of the National Industrial Conference Board. Mr. Gainsbrugh also points out that manufacturing costs are being stabilized at a level 40 to 50 per cent higher than those that prevailed before the war.

Prices will not return

KEEPING that in mind, it is possible to say definitely that prices will not return to prewar levels, or near prewar levels. Prices after World War I didn't return to the levels that obtained before that conflict. Labor today is organized on the widest scale in our history. Our national minimum wage is headed toward further upward revision.

Labor's income, if one includes farmers and small proprietors, accounts for more than 80 per cent of national income; and it is labor's income that determines prices.

Federal legislation of minimum pay and maximum hours has greater influence on price tags than all of management on Wall Street and Main Street together.

Arthur D. Whiteside, head of Dun & Bradstreet, in a look-see at what's ahead for business in 1947, said early this summer that, if prices in general are to recede, they will do so because of increased competition.

He denied that higher prices are caused by exorbitant mark-ups at any given point. He was more inclined to see the real cause in labor's diminished productivity.

Mr. Whiteside asserted that, if labor is to cost less, it must produce more. Now producing 24 per cent less than it did before the war, he continued, improvement is not likely until labor gets on a more competitive basis.

Nobody yet has discovered a better solution to price problems than that offered by ample supply. And it is equally true that greater productivity on labor's part would not

only temper prices but safeguard the jobs which today pay so well to approximately 60,000,000 employed persons.

Despite recurrent discouragements, management remains optimistic about productivity. It realizes that labor, too, has been in a sellers' market, and wages are a form of prices.

After World War I, man-hour productivity rose nearly 30 per cent in the first four postwar years. Slight gains already have been detected in some industries.

We have had evidence of what happens when supply becomes ample. Nylon hosiery, once black-marketed at \$6 and up a pair, is back to prewar levels. Automobile tires are in the cut-price category less than a year after one had to know a dealer intimately to acquire a 6.00x16 for the left front wheel.

This is not intended as a suggestion that all prices will come down, nor is it a promise that some prices won't go up. It is stated rather to convey the idea that the American business man hasn't forgotten that the lower the price the wider the market.

Pricing for more business

NOBODY is more interested in pricing for prosperity than the producer and the distributor. They prosper most when people buy most, and none knows better than they that lower prices mean more customers.

There is another hopeful sign. Government regulation of business is being minimized.

With some tax relief in sight in the Presidential election year ahead, pressure on prices will be eased, and higher housing costs will be offset somewhat.

United States production is back in high gear. Only serious labor disturbances can throw it out of kilter.

Higher wages and higher standards of living can mean continued prosperity. Business is devoting its thinking and acting toward that end. It is gradually discarding cost sheets and working back from prices that will sell maximum quantities. That has been, and will be again, the American way of pricing.

Business is more than willing to trade bigger profits for sounder and steadier conditions. The more a dollar buys, the more business sells. If labor takes its place on the team, we may be getting out the postwar blueprints now gathering dust.

Gripe, Citizen, Gripe...

By HAROLD HELFER



THE CITY fathers of the cities of the U.S.A. have done some peculiar things in the course of American history, but probably nothing quite as unique as that done recently by the men guiding the reins of Corpus Christi, Texas.

These city fathers urged the citizens to gripe. In fact, they spent weeks manufacturing publicity needling the citizens into a griping mood and even printed a list of suggestions that the citizens might find to gripe about. What is more, a goal was set—10,000 gripes!

The newspapers swung into action, called upon the people to give forth with their gripes. Displays were put up in downtown stores urging the same thing.

Now, listen to this: the city administrators read every complaint—more than 9,000 rolled in—and are doing something about them. As a matter of fact, they are basing their whole improvement program on these taking-to-task missives.

The get-the-citizens-to-gripe idea was that of the new mayor, Robert T. Wilson, who, incidentally, is a brother of Charles Wilson, president of General Motors Corp.

Mayor Wilson figured that the city had gone pretty much to the dogs and that there were a great many citizens with legitimate complaints.

One of his first actions was to proclaim a "Complaint Week." He appointed a committee of the city's leading business men and citizens to help him in the endeavor.

Following through on their pledge to do something about these gripes, the city fathers have com-

WITH the folks in Corpus Christi, Texas, the idea for Complaint Week was a big success from the start

pleted 20 miles of new sidewalks. About 100 miles of city streets will either be improved or laid complete. Trash collections are regular and more frequent. New sewer connections are scheduled for construction.

Drainage problems are being corrected. Many miles of storm sewers have been installed. A \$1,000,000 contract has been let for improving conditions downtown.

Twenty-nine per cent of the complaints were confined to three categories, namely, the need for more and better streets, sidewalks and garbage collections. Most of the other complaints were pretty evenly divided among these desires: better sanitation laws, swimming and beach facilities, improved traffic systems and control, water supply and pressure, drainage, and more parks and playgrounds.

Even school children got hepped up about being complaint conscious. One girl wrote in that she thought a traffic officer should have a post near her school. A boy wrote in that he would like to see a neighborhood lot cleaned up so that the youngsters would have a place to play.

Some of the complaints were long, some short. One man got his off his chest with a four-word letter: "Gentlemen: These damned streets!"

Someone wrote in that 16 persons were using an outhouse on Chipito Street.

A sailor, finding civilian life a bit tame, wanted the speed limit upped to 50 miles an hour.

One man complained about "Complaint Week." He thought it wasn't a scientific approach to the city's problems and a waste of time.

Then there was this letter:

"Please don't tamper with the city too much. It looks just about perfect to me. You see, I just moved from—."

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Masters of the Miniature

By HUBERT A. KENNY

MANY became familiar with minute machine tolerances during the war, but here is a firm that considers .000025 of an inch mere routine

FISHING reels that "play" to the slightest touch, an electric razor with so little vibration it's hard to tell when it's going, and dozens of technical instruments owe their delicate precision to ball bearing assemblies so minute that 321 will fit in a thimble.

One eighth of an inch in outside diameter, these radial bearings carry eight steel balls each, are made by only one company in the world—Miniature Precision Bearings, Inc., of Keene, N. H.

Each of the 40 sizes and styles of these small bearings is the result of refinements in the technique of accurate machining and grinding since Winslow S. Pierce, Jr., company chief engineer, made the first $\frac{3}{8}$ of an inch radial ball bearing in 1924. Then the world's smallest, that size is larger than any now made by the firm. The largest is slightly bigger than the diameter of an ordinary lead pencil— $\frac{5}{16}$ of an inch—while the $\frac{1}{8}$ of an inch pygmies are about the diameter of a pin head.

The size of the product explains why shipping is hardly an appropriate word to apply at this factory. A day's production could be sent by carrier pigeon.

Ten years ago the company put its first finished product to work: a bearing $\frac{1}{16}$ of an inch outside diameter, which Mr. Pierce installed in his own watch, where it has been rolling merrily ever since. That bearing, incidentally, was smaller than the jewel it replaced, and an additional ring, or bushing, had to be set in the watch.

Here is minute precision in a product that remains unduplicated anywhere in the world. The company has made experimental pivot bearings as small as .031 of an inch in outside diameter (.03125" = $\frac{1}{32}$ "), with steel balls only .011 of an inch in diameter—the world's smallest.

There is reason for the word Precision in this company's name.



Bearings unrivaled in the world

Thousands became familiar with machine tolerances during the war when plus or minus five ten-thousandths was common parlance. But this company makes minute bearings with the steel balls held to a tolerance of one quarter of one ten thousandth (plus or minus .000025 of an inch), with tolerance on the inside and outside diameters of the $\frac{1}{8}$ inch bearing raceways at plus .0000" and minus .0002 of an inch and with total eccentricity held to a maximum of .0003 of an inch.

Machinists know that precision in terms of tenths is not too uncommon in relatively large parts, but in parts less than an eighth of an inch in diameter, the machining of a raceway with such precision was unheard of until this company came along.

And, fascinating as these bearings are, they are not novelties. The reduction of friction, weight and space is, of course, their primary function, and without them hundreds of instruments would have been impossible.

High speeds in compact instruments such as gyro compasses for aircraft, are possible only when friction is reduced to the minimum. Small bearings have operated continuously at a speed of 75,000 r.p.m.

Where even the lightest oil will freeze at low temperatures, stopping an ordinary bearing, a precision ball bearing that is designed and made to operate without lubrication is required. Such bearings have made some delicate, low-temperature instruments feasible.

More durable than jewels

THE ball bearing will stand up under shocks that would break a jewel of the same diameter, and such a bearing is an absolute "must" in applications where a jewel pivot bearing would be too small for the strength or anti-friction properties required. For these characteristics more and more instrument makers are turning to the ball bearing in such mechanisms as precision weighing scales, motion picture cameras, impact gages and railway track recorders.

Again, where tiny delicate mechanisms are in continuous operation, the sealed-in ball bearing will sometimes serve more satisfactorily than any other type—as in anemometers, barometers, chronometers and some tiny motors.

Thousands of the firm's bearings also are used in such instruments as the Bendix gyro fluxgate compass, Polaroid inclinometer, Sperry gyroscope, in Navy fire control devices, and in radar equipment.

The material used in Miniature's standard line is chrome bearing steel. Special bearings are made of stainless steel, and where resistance to corrosion from salt spray is required, or where bearings must be non-magnetic, they are made of beryllium copper—a relatively new alloy.

The company buys most of the balls for its products and pays a premium price for triple inspection before shipment. The balls receive an additional inspection at Keene, and for any special bearings requiring more than the usual close tolerance, the bearings are as-

sembled from specially selected balls and raceways.

The raceways start out as short rods of suitable diameter. Inserted in machines, small accurately dimensioned rings are produced. After inspection, the rings are heat-treated and annealed to assure proper hardness. Exterior surfaces are then ground, polished and finished, passed on for the most critical operation of all: grinding the races in which the balls are to roll. The feeds controlling the "bite" of the grinding wheels are graduated in readings of 1/100,000 of an inch.

Look at a completed radial bearing with eight tiny balls imprisoned between the inner and outer races, and up pops the question: how do you get them in? One side of both the outer and inner race has a slight, crescent-shaped notch ground out to form a "filling hole." With the notches lined up opposite each other, the first two balls slip in easily, but numbers three to eight have to be forced in with a pressure just heavy enough to spring the races apart without causing distortion.

Bearings tested individually

AFTER assembly, each bearing is tested for concentricity—a test that combines the nicety of scientific testing apparatus with the experienced sense of touch of highly skilled inspectors. By holding a bearing in a hollow mandrel an inspector almost invariably can tell by the feel whether the bearing is operating properly as it is rolled at high speed by a jet of compressed air.

Since all inspectors have come up through the ranks, further inspection of a bearing that doesn't feel right results in a report to the

operator of a machine that may be at fault.

The work is done in air-conditioned, dust-free rooms, for a microscopic piece of dust on a raceway in front of a 1/64 of an inch ball is like a boulder in front of a wheelbarrow. Each bearing is washed individually and each is blown dry, then lubricated.

Miniature does not sell steel balls separate from complete bearing assemblies, but when an inquiry came in for a quantity of 1/32 of an inch steel balls, firm officials estimated that with a conservative profit, ten pounds of such balls could be sold for \$40,000. But that sum is small compared to the cost of the 1/64 of an inch steel balls. Officials say the cost per ton of this steel is the highest ever reported—\$322,000,000!

Small as the company's product may be, there's nothing small about its policy. Jewel bearings are recommended instead of its own product where the former will serve as well. Ball bearings made by other companies are recommended where larger and less expensive bearings will do the job required.

Miniature's bearings are currently being tested in a variety of applications. New aircraft and scientific instruments using ball bearings are in process of development, and in aerodynamic research, the minute bearings are frequently built into models for accuracy in wind-tunnel testing.

Other contemplated uses range from cigarette vending machine mechanisms to artificial limbs, and as H. D. Gilbert, company president, points to the constant reduction in size and bulk of machines and instruments of all kinds, he sees no limit to the markets for precision-made small bearings.



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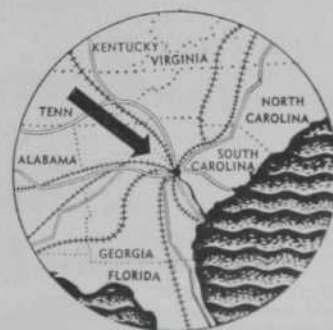
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Reading for Pleasure or Profit...

"Knudsen"

By Norman Beasley

WILLIAM S. KNUDSEN came over from Denmark in 1900, was beaten up because of his foreign accent, got a laborer's job on a railroad. Soon he went to the Keim Company, bicycle-makers, in Buffalo. Keim began making automobile parts for Ford and, in 1912, the Ford Company bought him out. Rising through a spectacular career, Knudsen became Ford's production manager. But in 1921 the two had differences. So in 1922 Knudsen joined General Motors, of which he became president in 1937.

Here is the heartening story of an American genius, who could invent a muffler or a coil box in the course of planning a dozen new factories and running a corporation. Knudsen himself is largely responsible for modern mass production of automobiles, with its assembly line which he adapted from the meat-packing industry. Knudsen's biography (Whittlesey House, 330 West 42nd Street, New York; \$3.75) gives you a fresh sense of the courage, the instant decision, the great coordinating scope of mind which built American production.

"Twentieth Century Congress"

By Estes Kefauver and Jack Levin

THERE is chaos on Capitol Hill, says Rep. Estes Kefauver (Tenn.). Watching the general confusion, many citizens have lost respect for their elected representatives. Yet the fault lies, not with the congressmen themselves, but with the way the legislature is organized, according to "Twentieth Century Congress" (Duell, Sloan and Pearce, 270 Madison Avenue, New York; \$3).

Kefauver says that the present congressional setup, based on 18th century models, keeps legislators so hurried and harried that they have to depend on lobbyists

for information about important bills. For one thing, a month's time is taken up each year with old-fashioned roll calls. Kefauver proposes electric voting machines. Again, up to 80 per cent of a representative's day must be spent on personal demands from constituents. Kefauver proposes administrative aides, as in the Senate, to take over this burden. Running the District of Columbia is described as another time-waster for men who should be studying national issues.



To keep congressmen better informed, Kefauver wants to set up liaison offices of executive departments at the Capitol and provide for fortnightly grillings of department heads by the legislators. He thinks, too, that Congress would be more respected and efficient if treaties didn't require approval by a two-thirds majority of the Senate. It is now possible for 17 senators to block a measure everyone else supports, and Presidents avoid that danger by making "agreements" instead of treaties, as with Lend-Lease.

Among other ways to streamline Congress, Kefauver suggests equal, four-year terms for senators and representatives, abolishing seniority rules, forbidding "riders," and banning the filibuster. "Twentieth Century Congress" is cogent, amusing, a fine description of how the legislature runs, often in circles.

"Richer by Asia"

By Edmond Taylor

THE imagination, first of all, must grow, if mankind is to grow up to world government. Books like "Richer by Asia" (Houghton, Mifflin, 432 4th Avenue, New York; \$3.75) strengthen the imagination, by leaving in our minds the color, the movement, the felt life of a foreign people.

Edmond Taylor's report on India, where he served with Army Intelligence, makes sense out of

confusion. It shows how the Indian's caste system has been laid down by military invasions, how his contentment with paradox grows out of Hinduism, how his poverty is descended from the gods. It makes vivid and sympathetic such strange human beings as Ram Lal, with his rubies, his "Western" cocktails, and his conviction that Indians were flying airplanes 30,000 years ago. It allows us to see just how necessary and how absurd are the political divisions of India, where riots follow the kicking of a cow.

Taylor describes India's conflicts as a parody of world division. And a major obstacle to world unity today, he says, is the Western misconception of Asia, for which the British in India are much to blame. Sensitive, Taylor depicts the British colonial state of mind, in which Indians are despised for their poverty, loathed for diseases they cannot help, and considered politically incompetent because British rule has failed. He shows how British spy systems and insults have nearly demoralized a people, and how the Freedom which Asiatics perhaps most need is Freedom from Contempt.

"Hellbox"

By John O'Hara

THERE'S a fine rogue's gallery for light reading in this collection of short stories (Random House, 20 East 57th Street, New York; \$2.50). The *New Yorker's* John O'Hara catches to perfection some of the country's most colorful, disturbing types—aging actresses, pursued criminals, honkey-tonk owners, cynical newspaper men. He has wit and accuracy, pity and gusto, a keen, humorous sense for American slang.

"Drop One, Carry Four"

By Fredric Sinclair

MARTY Wharton, girl war correspondent, travels from China to Calcutta to Cairo with four agreeable colleagues and the uneasy knowledge that one of them is a killer, busy at his trade. Against the pyrotechnic background of burning ghats and under the shadow of the pyramids, Marty matches wits with the murderer, whose first victim was her brother. No detectives are employed. You may guess the villain, but you won't put down the book (Doubleday, 14 West 49th Street, New York; \$2) before ending up at an Egyptian incinerator.

—BART BARBER



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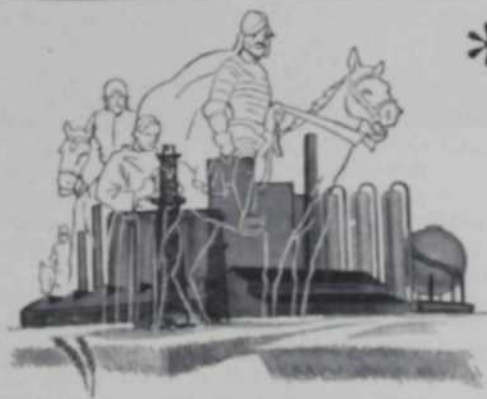
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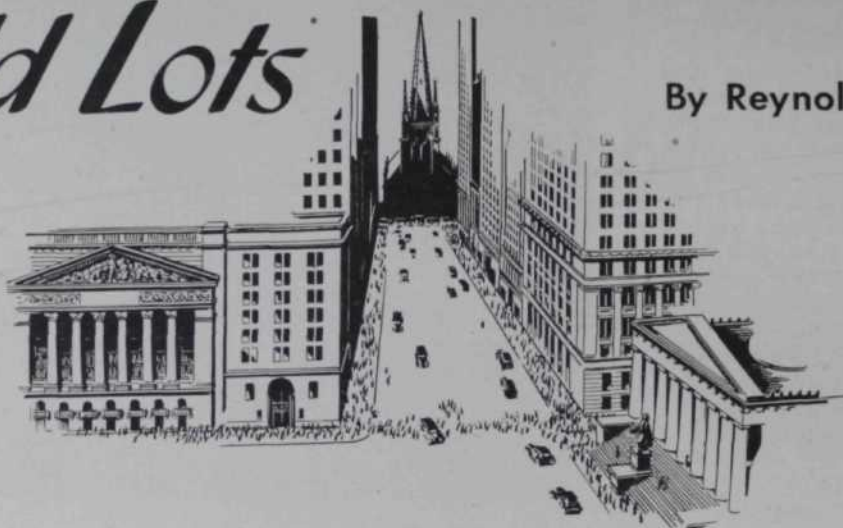
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Odd Lots

By Reynolds Girdler



Riddle Me This

"WHICH are the bulls and which are the bears?"

"Where is the original seat on the Stock Exchange?" and,

"Why is the floor of the Exchange made of wood?"

The girl guides at the Stock Exchange are no longer surprised by these curious questions. Visitors are sure to ask them every day.

Just why people making their first trip to the visitors' gallery should uniformly pose such odd queries is a complete mystery to Stock Exchange officials. But they do. Last year 145,000 people from every state in the union and 22 foreign countries visited the Exchange. And not one day passed that these three questions were not asked.

Smartly, the new regime at 11 Wall Street is capitalizing on the enormous public interest in the Exchange. Some days the number of visitors runs as high as 2,000. Most of them, of course, are out-of-town. They have come to New York City for a vacation. They have seen the Statue of Liberty, Chinatown, Grant's Tomb. Their next stop: the Exchange.

There they are treated like royalty. As they enter the Exhibit Room they are greeted by four smart, pretty girls, who suggest they go at once to the gallery overlooking the Exchange floor. A few minutes of gazing at this confusion, and back the visitors come for enlightenment. Then one girl takes a group in hand, and, step by step, conducts the visitors through the Exhibit Room. There, in miniature, the visitor can see how an order originates, how it comes to the Exchange, how it is executed on the floor.

After this tour, they all go again to the gallery. Now the scene

makes sense. But cherished illusions and established myths are hard to dislodge. The visitors seem a little disappointed not to find the bulls lined up on one side defending the goalposts against raids by the bears. An even greater disappointment is the appearance of the floor members. Many wear linen jackets; the visitors insist these must be clerks. They know from newspaper cartoons and New Deal speeches that Stock Exchange members are big fat men with frock coats and gold chains across their tummies.

"Show us the man who corners the market," they order the guides. Or they want the guides to pick out some celebrity on the floor. An even more difficult task is compliance with still another request: "Show us a rich man on the floor."

Intelligent, and thoroughly trained in Stock Exchange lore, the girl guides can answer any technical question. But there is one to which they have never been able to find the answer.

"How much does this building weigh?" the visitors ask.

★ ★ ★ ★ ★

Wall Street Hoop-La

IT WAS like old times. No, it was better than that. Even the boiling bond markets of 1926 never saw anything like the summer marketing of the \$250,000,000 debentures of the World Bank, the Bretton Woods colt.

For months the Bank's officials had been preparing for the day. They had borrowed such noted bond men as Franny Ward from Morgan and Warren Wilson from Union Securities. John J. McCloy,

president, had spoken on the Bank before the Bond Club, that citadel of conservatism. Such old-line houses as Kidder, Peabody and The First Boston had issued studies on the bonds.

More than 1,600 security firms throughout the nation had been drawn into a sales group to market the bonds on an agency basis. But, most important of all—the bonds had been dressed beautifully for the occasion. They wore high coupon rates and were attractively priced. For the Bank's management simply had to make this first public borrowing of the Bank a success.

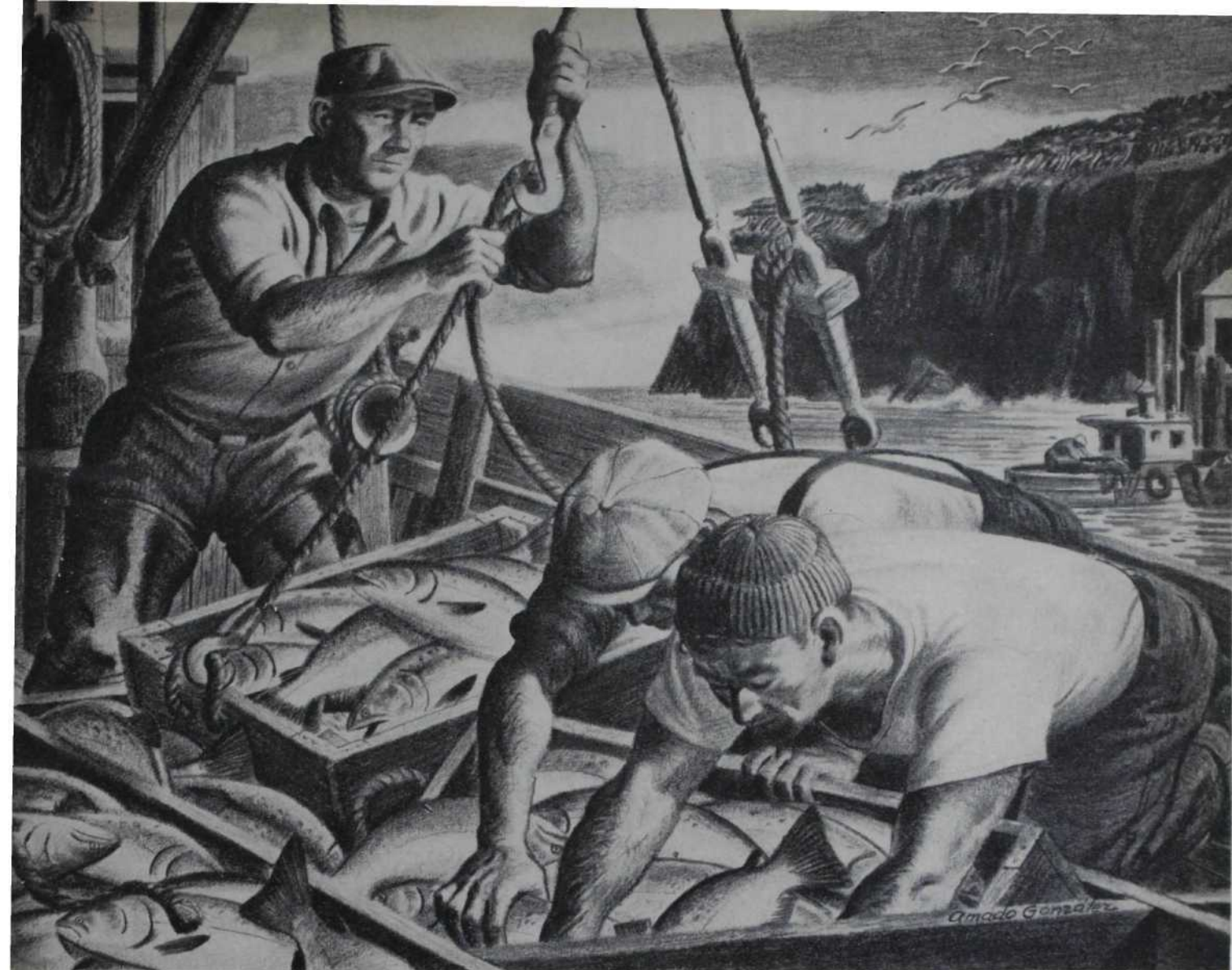
It was. The Bank had paid \$30,000 in fees to list the debentures on the Stock Exchange. Because the issues were oversubscribed, the first public sales were at a premium. Bank and Stock Exchange dignitaries were on the floor for the historic occasion. Flashlight bulbs popped and so did the speeches. As the morning wore on, the bonds moved higher, reflecting the overwhelming demand.

Then everybody went up to the Stock Exchange Luncheon Club and enjoyed cold cuts and iced coffee.

★ ★ ★ ★ ★

Saturday's Workers

FOR once the inside dope was wrong. Insiders expected that the Stock Exchange would declare Saturday closing a permanent thing. But then it was announced the Exchange would reopen on Saturdays come October. This decision by the Board of Governors was just about unanimous. The Board had good reason. Experiments had proved that many an



An interpretation by the California artist Amado Gonzalez

PORT OF WRIGGLING GOLD

They let their shovels rust, and take their gold with nets—wriggling gold from the sea. So together men... heave and sweat! Fight the pace of time—for this wealth won't keep! Catch them, clean them, ship them—stock the markets of the world!

Gold has built cities—and destroyed them, too. Port of Trinidad was such a city. Once outlet for the precious ore of Northern California's mines, when the gold ran out, the city sank into sleep.

Gold awakened it again, but this was a different kind of gold. Earl Hallmark saw in the Pacific riches beyond the dreams of the '49ers. Fish was gold, too—and it could bring Trinidad back to life.

There are not many good harbors along the rocky Pacific coast. With a modern pier, gasoline, ice, a fleet of boats, Trinidad's natural harbor could become one of the West's finest fishing ports. Hallmark decided to get them.

The men in the Eureka Branch of Bank of America

understood Earl Hallmark's dream. They were men of vision, who looked for intangible assets—enterprise, imagination—as well as for more conventional security. They were able to see in this man's plan a city enriched by a gold as inexhaustible as the sea.

They decided to back Earl Hallmark. And today, just a few years after the venture first took form, Port of Trinidad is a thriving fishing harbor with modern facilities, and soon will have an ice plant, a cannery, a processing plant, and several hundred new and busy families.

CREDIT WITH VISION to see the opportunity in our land of private enterprise—that is the continuing aim of this great California-wide banking system.

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skylines ... by Otis

In metropolitan New York, for example, there are 26,188 Otis elevators — more than all other makes combined. So it goes in all the cities of America, and many abroad. Creator of skylines? It would certainly seem so!

FITTED FOR KINGS — East meets West and new meets old in an unusual elevator recently delivered to a Middle East potentate. As oriental in its satin and silk appointments as it is modern in its smooth operation and automatic control, this job is just another example of Otis ability to supply vertical transportation for any requirement.



LONG WAITS AND SHORT TEMPER — How long do you wait after pressing the "down" button before you hit it again? Seventeen seconds is average, according to Otis experts. Yes, cutting down waiting time is a big concern of Otis design engineers. They've been responsible for every major step in the development of safe, speedy and efficient elevator service.

THE LIGHT TELLS HIM WHEN

— Did you know that modern big-building elevators have a light which automatically signals the operator when to start? It's part of an ingenious system developed by Otis to dispatch cars on a scientific basis, timed to the needs of the building and the hour. During rush hours it helps get heavy one-way traffic up or down without annoying delays. During off-peak hours it eliminates excessive waits caused by car movements getting out of balance due to hit-or-miss scheduling.



Have you a vertical transportation problem — in an office building, a factory, an apartment house, a store? If so, there is an Otis man in your city who will be glad to give you the benefit of our 94 years' experience.



ELEVATOR COMPANY

Offices in all principal cities

investor could find time to buy or sell securities only on Saturdays. So now it looks as though security firms, at least, will work the 44 hour week recommended for all by Baruch.

★ ★ ★ ★ ★

Call for Action

SO FAR it's a cloud no bigger than a man's hand. But a few people in Wall Street have started a move to organize some of the nation's 10,000,000 security-owners. The group calls itself the Committee of Investors of America. The effort is sparked by a few intense, scholarly analysts who can prove to you that investors are rapidly being squeezed out of their rights.

Those sparking the Committee are Robert A. Gilbert of Goodbody & Co., William B. Smith II of Laidlaw & Co., Lester Plum of Calvin Bullock, and Philip Van Wyck. They see no reason why the country and its lawmakers should continue to act on the specious economics of the New Dealers.

They even boldly proclaim the "moral rectitude" of profits, and then go on statistically to show how profits have made the U. S. laboring man the world's easiest-living worker. Example: even under normal conditions, the European works three times as many hours as the American to earn his milk, butter, bread, eggs and beef.

The Committee's latest study was issued to refute President Truman's statements about corporate profits. The national income, the study proves, is more than twice that of 1928. Corporate profits are only 31 per cent above the 1928 level. Wages are 93 per cent ahead of 1928 while dividends — the wages of ownership — are actually lower than in that year.

★ ★ ★ ★ ★

The Shorts Again

"He who sells what isn't his'n
Must buy it back or go to prison."

Old Dan'l Drew, famed speculator of the long ago, is supposed to have written that cheerful piece of doggerel. And short selling is still a lively topic for argument whenever the market breaks. The May break brought another outcry. So the Exchange made a study. The survey showed that 91 per cent of the short position was held by non-members. That is, by the public. The study was made as of the summer low. Then the market rose, proving that those who sell short can be just as wrong as those who buy long.

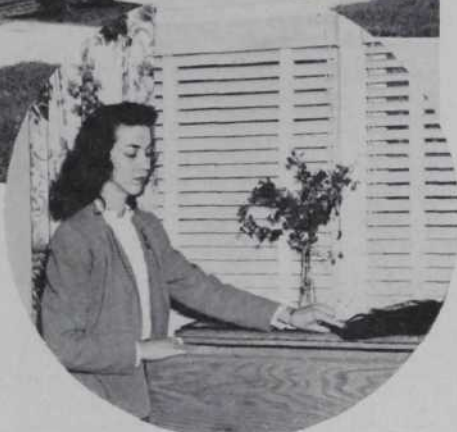
A Car Hotel and Hot Water, Too

By ROBERT M. HENRY



HERB FALSON

Some of the units have one bedroom, others two. Rooms are large, floors carpeted



SINCE Americans developed the skyscraper technique years ago, expansion of de luxe innkeeping has consisted mainly of stacking one room on top of the other and installing elevators—the nearer Main Street, the better.

To escape the mad confusion, the weary American traveler now is turning to the country. He is trading the glitter of ballrooms, the howl of conventioners and the scrape of dented fenders for the quiet of the suburban hotel courts—or motels, if you prefer.

This is especially true in western and midwestern states where one travels hours between cities and minutes through them.

With their newly found prestige, these luxury roadside inns are developing a unique elegance. Consequently, their business is multiplying instead of dwindling.

Take Odom's Hotel Courts, recently opened three miles south of Oklahoma City on U. S. Highway 77. Vacancies seldom exist in any

of the 57 ultra-modern units. Here you have all the features of town—garage, dining room, barber shop, beauty shop, and a 1,200 car drive-in theater—plus peace, comfort and service.

Advertised as the "World's Largest Hotel Courts,"—referring to its area and accessories—Odom's is a good example of what one may expect from the decentralized hotel in the future.

The courts proper stretch back 864 feet from the highway in a squared "U" of conservative red brick construction. The rooms are large, and carpeted from wall to wall. Each is equipped with telephone and radio, and Rip Van Winkle never would have gotten off the beds. For convenience, a door connects the closed garage with the bedroom. An air cooling system protects one from hot summer days when temperatures refuse to go below a sweat.

All this is available at modest prices, whether one wants a single or two-room-with-connecting-bath suite.

"This is one place," says P. B. Odom, the owner, "where a business man or traveler is going to get rest, service and entertainment."

Odom is one of those Americans who treat money in a casual way and still make it produce. His spending on this development is ample proof. To date, the courts proper have eaten up around \$300,000. If you include theater, garage, and other additions, the total building cost will exceed \$500,000.

This slim, six-foot-five construction man is personally responsible for all that cash except \$100,000 a Wichita firm invested in the theater.

Hotel service

ONE can have any meal served in his room. The porter will put up the table, spread the linen and bring on the food hot from the dining room when you are ready.

You can send out anything from a business suit to the baby's diapers at 7 a.m. and get it back cleaned and pressed by 7 p.m.

Day or night, the garage will wash, grease and make minor repairs on your car.

You can relax under beach umbrellas on the garden-like lawns or take in a show. And, best of all, when you turn on the hot water faucet, you get hot water.

"We're here for the business men and travelers," Odom repeats. "They're going to be treated just like I'd want to be treated."

Talk like that costs money. According to Odom, who personally manages the business, it costs at the rate of \$900 a month for laundry alone. It costs approximately \$150 a month for electricity. But it brings in telephone and telegraph reservations from as far away as Corpus Christi and Kansas City.

If nothing else, courts like Odom's promise a decentralization of the American hotel similar to the present trend in industry.

But if you want to be completely practical about it, take the attitude of one Texas cattleman. "When I go to a place in town," he said, "it costs me a buck to get my suitcases in. It costs me another to have the porter park my car. It costs me another for the parking lot. And it costs me still another to get the porter to take my car out of the lot. If I stay in a place like this, I've got free use of the car and four extra bucks for—entertainment!"

On the Lighter Side of the Capital



"The more they are the same"

THE SENATOR observed that the French have a way of packing a lot of sense in a few words. He would not attempt the original French, having acquired all of his during the first world war, and it not being fitten for peacetime uses, but one saying is:

"The more things change the more they are the same."

He had been reading Frazier Hunt's newly published "I Fought with Custer," and noted that Custer was in bad with President Grant because he had fouled up the President's son, Orrin, on account of the latter's dealings with Indian agencies.

Orrin might be said to have set a fashion in Indian affairs. Even today there are about as many hand-holders and auditors in the Indian business as there are Indians.

So far as Mr. Hunt reveals nothing happened to Orrin.

All the tempers were lost

NEVER in his life, he said, did he hate his fellow senators as he did the latter part of the session. He



isn't geared nowadays, he said, to sit up all night on a \$400 mahogany chair and listen to them go on and on about good causes. Now that he has rested up a little he is surprised to discover how mellow he has become.

It made him think, he declared, of the time Old Tom Mallon moved away from town:

"The orneriest old man that ever voted the wrong way. Everyone hated him.

"But when he was about to leave, the citizenry had a change of heart.

"Let's give the old cuss a nice send-off," they said to each other. "Make him feel good."

"So they did. Every man at the dinner hated Old Tom but they lied themselves black in the face. When

it came time to reply Old Tom got up sobbing.

"I wouldn't," said he, 'swap you friends of mine for all the enemies I ever made.'"

Looking on the bright side

HE IS not a pessimist, said the Senator. He looks on the bright side until he is positively dizzy. This country hasn't started to grow yet. It is true that we have been cutting down our willow trees, but;

"Shucks. We haven't even touched the redwoods, metaphorically speaking."

Congress has launched an interesting series of inquiries in response to prods by Comptroller General Warren and Senators Taft, Byrd and others. He thinks they are growing pains. We will be better off for them, even if a lot of them don't get very far:

"The doings of the United States during the past few years have covered so much ground that we just haven't time and energy enough to find them out. Most of the boys who have been doing a little bit wrong will never be caught."

There was a difference of opinion about a \$22,000 laundry bill the Navy owed—or didn't owe, as the case might be. Congress appropriated \$20,000 to cover the cost of finding out. It didn't make much sense, but what will you? It will be cheaper in the long run to let the comptroller general writhe than to run down every rat that nibbled the cheese.

"He don't perturb easy"

ONE of Mr. Truman's elder friends said:

"The boy is all right. He's satisfied. He don't perturb worth a dime."

Sounds queer to have the President of the United States spoken of as "boy." No one in the recent past could have won that title—not Roosevelt or Hoover or Coolidge or Harding. Something neighborly

about it. The old-timer did not advise anyone to bear down too heavily on that "boy" tone.

"He can get mad as all get out."

A venture in anonymity

SPEAKING off the record—which is a practice he deprecates because it facilitates knifing under the fifth rib, but is handy when you do it yourself—these pennyroyal investigations make many a lovely congressional junket possible—



"Which I heartily favor, but you can see that I could not afford to come right out and say it."

Because a lot of the congressmen need the education one gets on a junket. It will cost the country a little money to brighten them up, but nothing like as much money as we spent to send wives around during the war. Wives and other people.

"Do not," the Senator implored, "ask me for details about this wholesale helling around the world at the cost of the poor sucker of a taxpayer, because I choke up too easy."

He is not being inconsistent in favoring trips for congressmen and in opposing junkets for assorted womenry. The women, he thinks, know too much now.

It made him think—

HE WAS reminded of the story Louis Brownlow told of the dinner given by the Daughters of the Confederacy in honor of the few remaining veterans. Mr. Brownlow had asked to be seated alongside the oldest soldier of the country. After dinner another veteran asked Mr. Brownlow how he got along with the old man:

"Not so good. You see, he is 101 years old. One could hardly expect him to be vigorous mentally."

The aged interlocutor shook his head:

"Listen, Brownlow, I've known him all his life. I spent four years in the same company during the war—and I'll tell you he's been getting brighter every day."

Report by a minority

SECRETARY of State Marshall had been locked up with a committee of Congress for hours. He gave them the lowdown on everything. The secretary came out of the committee room looking stern as a howitzer—smiling a formal

little smile as though he had trouble in keeping up his spirits—and the congressmen practically ran to get to their bomb-proofs. The reporters saw that frightening revelations had been made. Each streaked for his favorite source:

"My man told me," said one reporter. "But he swore me to secrecy. I promised not even to bat an eye."

The taxi driver gave him the identical lowdown on the way downtown. Names and everything. But the conclusion is not what the unwary reader would expect.

News is not suppressed

THE people are being fairly well served with news of what is going on in the world. Marshall does not



tell any secrets, because there aren't any. He only puts two and two together so the sum makes four. The most important bit of news in the past

year was his casual launching of the Marshall plan. Yet every interested man who knows Marshall and knows how President Truman regards him knew that story in advance. The one thing that no one knows, or can know, is what the ultimate judgment of the people will be.

Hammering out policy

IN THE judgment of several of the calmer members of the two houses of Congress the people are agreed that we must have a firm and decisive national policy—

"We can't be running every which way—"

The letters from back home were almost unanimous in the past few weeks of the session. That policy will be hammered out in the districts during the congressional vacation. It does not follow that it will be what is now known as the Truman-Marshall policy. Whatever it may be will—in the opinion of the congressmen—for the first time in American history be a really bipartisan plan. The voters, they think, will continue to vote Republican or Democratic about as they always do, but in the five intervening months they will have talked to their congressmen.

Fall session is possible

CONGRESSIONAL opinion seems to be that a fall session is possible. That depends largely on Russia.

"If the Soviets keep on setting

fire to the grass in the Balkans we might be called back," said one senator. "Not so much with a mandate to do something as to be handy in case something must be done. But I do not know what we could do."

No one thinks that war with Russia is conceivable at the present time.

The Soviets may keep on growling and muttering at us—"like a thunderstorm in the mountains"—but nothing will actually happen until a new alignment of the nations has been arranged. No one can invade Russia by land and get away with it and Russia has no navy to speak of. So what?

Cleaning an old house

YEARS ago a diplomat came home after service in the East and in due course talked with the current secretary of State:

"But why did you not keep us informed on these matters? They are important and dangerous."

"I did," said the man from the trouble spots. "And do you know what happened to my reports? They were filed."

The State Department at that time was as dead as all the dodoes. The good jobs went to political appointments. The career men starved.

Now Marshall is clearing it up, soldier fashion. Men who know their way around are reporting to him and getting their orders. Marshall never did ride a white horse and wave a sword. He depended on staff work.

Divining rods in action

TRUMAN'S old friend thinks the President is confident that he will be re-elected in 1948.

"He looks and talks that way. No, he didn't say so. Not to me. What if he had said so? What else could he say?"

There are perhaps 500 pairs of eyes at all times watching the President, what with those who report the news and those who provide some of the news and those who just nod their heads. No man in the world is under closer scrutiny.

Some of the crystal ball practitioners think Truman expects to be opposed by Taft. They could not put in words why they think so. No evidence at all. Nothing in accent, tone, attitude or glance. Purely psychic.



While She powders her nose..



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